IN THE NAME OF ALLAH THE MOST MERCIFUL,THE MOST COMPASSIONATE.

SINCE A BETTER UTILIZATION OF DOCUMENTS NECESSITATES SOME INFORMATION ABOUT THE COUNTRY, WE HEREBY INCLUDE A SUMMARY INFORMATION ON POLITICAL, SOCIAL AND ECONOMIC SITUATION OF TURKEY.

LAND

766,640 km ; 35% cropland, 25% meadows and pastures, 23% forested , 17% other

Land boundaries: 2,574 km

WATER

Limits of territorial waters (claimed): 6 nm except in black sea where it is 12 nm (fishing 12 nm)

Coastline: 7,200 km

PEOPLE

Population: 44,236,000 (July 1979), average annual growth rate 2.5% (current)

Nationality: noun—Turk(s); adjective—Turkish

Ethnic divisions: 85% Turkish, 12% Kurd, 3% other

Religion: 99% Muslim (mostly Sunni), 1% other (mostly Christian and Jewish)

Language: Turkish, Kurdish, Arabic

Literacy: 35%

Labor force: 17.2 million; 57% agriculture, 18% industry, 25% service; substantial shortage of skilled labor; ample unskilled labor (1978)

Organized labor: 25% of labor force

GOVERNMENT

Legal name: Republic of Turkey

Type: republic

Capital: Ankara

Political subdivisions: 67 provinces

Legal system: derived from various continental legal systems; constitution adopted 1961; judicial review of legislative acts by Constitutional Court; legal education at Universities of Ankara and Istanbul; accepts compulsory ICJ jurisdiction, with reservations.

National holiday: republic Day, 29 October

Branches: President elected by parliament; Prime minister appointed by President from members of parliament; Prime Minister is effective executive; cabinet, selected by Prime Minister and approved by President, must command majority support in lower house; parliament bicameral under constitution promulgated in 1961; National Assembly has 450 members serving 4 years; Senate has 150 elected members, one-third elected every 2 years, 15 appointed by the president to 6-year terms (one-third appointed every 2 years), and 19 life members; higest court for ordinary criminal and civil cases is Court of Cassation, which hears appeals directly from criminal, commercial, basic and peace courts

Government leaders: President Fahri Koruturk; Prime Minister Bulent Ecevit

Suffrage: universal over age 21

Elections: National Assembly and Senate (1/3 of seats), Republican People's Party won a plurality in june 1977; Presidential (1980)

Political Parties and leaders: Justice Party (JP), suleyman Demirel; Republican people's Party (RPP), Bulent Ecevit;National Salvation Party (NSP), Necmettin Erbakan; Democratic Party (DP), Faruk Sukan; Republican Reliance Party (RRP), Turhan Feyzioglu; Nationalist Action party (NAP), Alpaslan Turkes; Communist Party illegal

Communists: strength and support negligible

Leaders who ruled Turkey so far:

1_ Mustafa Kemal (Ata-Turk) 1923-1938
2_ Ismat Inono 1938-1950
3_ Jalal Bayar 1950-1960
4_ Jamal Goorsel (through Coupd'etate) 1960-1965
5_ Solaiman Demirel 1965-1971
6_ Fakhri Koroturk (through crawling Coup) 1971-1973
7_ Boolent Edjevit 7.1.1974-18.9.74 (over thrown following cypress developments)
8_ Solaiman Demirel 1975-1977
9_ Boolent Edjevit 1978-1979
10_ Solaiman Demirel 1979-1980
11_ Kenan Everen (through Coup) 1980-

Other political or pressure groups: military forced resignation of Demirel government in march 1971 and remains an influential force in national affairs

Member of: Council of Europe, EC (associate member), ECOSOC,FAO,GATT IAEA,IBRD,ICAC,ICAO,IDA,IEA,IFC,IHO,ILO,IMCO,IMF,IOOC,IPU,ITC,ITU,NATO, OECD, Regional Cooperation for Development, U.N., UNESCO,UPU,WHO,WIPO,WMO WSG,WTO

ECONOMY

GNP: $48.7 billion (1978),$1,131 per capita; 2.7% real growth 1978, 7%-8% average annual real growth 1970-76

Agriculture: main products_cotton, tobacco, cereals, sugar beets, fruits, nuts, and livestock products; self-sufficient in food in average years

Major industries: textiles, food processing,-mining (coal, chromite, copper, boron minerals), steel, petroleum

Crude steel: 1.9 million tons produced (1976), 45 kg per capita

Electrice power: 5,000,000 kW capacity (1978); 22 billion kWh produced (1978), 505 kWh per capita

Exports: $2,288 million (f.o.b., 1978); cotton, tobacco, fruits, nuts, metals, livestock products, textiles and clothing

Imports: $4,599 million (c.i.f.,1978); crude oil, machinery, transport equipment, metals, mineral fuels, fertilizers, chemicals

Major trade partners: 22.1% West Germany, 9.3% Italy, 6.9% U.S., 6.2% Switzerland, 5.4% France (1977)

Aid: economic authorizations: U.S., $535 million (FY70-77); other Western (ODA and OOF), $1,130 million (1970-77); communist,$1,094 million (1970-77); OPEC, ODA, $362 million (1974-77); military authorizations:U.S $1,414 million (FY70-77) (S/NF)

Budget: (FY78) revenues $13.1 billion, expenditures $14.7 billion , deficit $1.6 billion

Monetary conversion rate: 25.25 Turkish Liras=US$1 (July 1978)

Fiscal year: 1 March-28 February

COMMUNICATIONS

Railroads: 8,253 km standard gage (1.435 m); 143 km double track;72 km electrified

Highways: 60,000 km total; 21,000 km bituminous; 28,000 km gravel or crushed stone; 2,500 km improved earth; 8,500 km unimproved earth

Inland waterways: approx. 1,689 km

Pipelines: 1,288 km crude oil; 2,055 km refined products

Ports: 10 major, 35 minor

IN THE NAME OF ALLAH THE MOST MERCIFUL, THE MOST COMPASSIONATE

PRESENT COLLECTION OF DOCUMENTS IS RELATED TO TURKEY,AND LIKE OTHERS PUBLISHED AND PLACED AT THE DISPOSAL OF YOU, THE MARTYR-FOSTERING PEOPLE OF IRAN, THEY ARE ALSO EVIDEUCES OF CRIMES, PLUNDERINGS, AND SAVAGERIES OF AMERICA-'THE GREAT SATAN'- AND/OR THE WORLD-OPPRESSOR.THEY ARE ALSO A NEW EXPRESSION OF WHAT WE CALL AMERICA'S OPPRESSIVE MANNERS AND PRACTIC_ ES, BEING VALUABLE

EVIDENCES TO THE FOLLOWING POINTS:

_AMERICA'S EXPLOITATION OF THE TREACHEROUS MILITARY LEADERS FOR THE PROMOTION OF HER OWN INTERSTS;

_TO PUT AMERICAN AMBITIOUS GOALS INTO REALITY THROUGH THE RICHES AND THE RESOURCES OF THE DEPRIVED THIRD-WORLD NATIONS;

_AFFILIATION AND DEVOTION OF WEST-ORIEUTED THIRD-WORLD POLITICIANS AND STATESMAN TO AMERICA;

PROMULGATION OF WESTERN AND EXPLOITATIVE CULTURE BY THE WESTERN OPPRES SIVE CAMP;

_ECONOMIC, INDUSTRIAL AND TECHNICAL DEPENDENCE OF THE DEPRIVED AND OPPRESSED NATIONS.

THE OPPRESSED THIRD-WORLD NATIONS, ESPECIALLY THE MUSLIM PEOPLE OF IRAN HAVE COMPLETELY EXPERIENCED THE CONSEQUENCES UNDERLINED IN THE ABOVE POINTS.

DURING 50 YEARS OF REZA KHAN AND HIS SON'S AUTOCRATIC RULE, SPECIFICALLY THE PAST QUARTER CENTURY OF THE SHAH'S RULE FROM 1336-1357, WE WITNESSED AMERICAN MERCENARIES' INCURSIONS AND RUFFIANISMS IN THE IRANIAN TERRITORY. BUT THROUGH OUR SACRED REVOLUTION, WE SUCCEEDED IN THROWING ALL AMERICA'S LACKEY'S OUT OF OUR HOME-LAND.

BY TAKING A SHORT LOOK AT THE CONTEMPORARY HISTORY OF TURKEY, AND THE WAY IN WHICH TURKISH LEADERS CAME TO POWER AND RULED IT, WE WILL THEN BE ABLE TO IDENTIFY THE REAL POSSESSORS OF POWER IN THAT COUNTRY. AMERICA HAS ALWAYS EXPLOITED THE DEPENDENT ARMIES IN ORDER TO STRENGTHEN HER OWN POSITION IN THE REGION AND CHANGE THE DIRECTION OF EVENTS TO HER OWN BENEFIT, AND THAT IS HOW AND/OR WHY THE PAST 3 COUPD'ETATS HAVE TAKEN PLACE IN TURKEY.

PLOTTERS OF A COUP-D'ETAT HAVE ALWAYS CLAIMED TO HAVE ACTED FOR THE PRESERVATION OF THEIR COUNTRY'S STABILITY, SECURITY, AND INDEPENDENCE, BUT THEY HAVE NEVER ADMITTED THE FACT THAT A FOREIGN POWER INTERVENTION HAS ALSO BEEN INVOLVED IN THEIR PLOT; YET PRESENT DOCUMENTS WILL DEMONS_ TRATE THE UNQUESTIONABLE DEPENDENCE OF THE TURKISH GROUND FORCES, WHICH IS FAMED FOR ITS STRENGTH IN N.A.T.O AFTER U.S. FORCE IN THAT ORGANIZA_ TION. THESE DOCUMENTS WILL ALSO TELL US OF HOW TURKISH GENERALS ARE SECRETLY DIRECTED BY AMERICAN OPERATORS. IN DOCUMENT NO 34 WE READ AS FOLLOWS:

" SHOWING CLEAR CONCERN THAT A MILITARY TAKEOVER MIGH LOOM ON TURKEY'S POLITICAL HORISON, HE ASKED IF U.S. HUMAN RIGHTS POLITICIES WOULD CREATE DIFFICULTIES IN DEALING WITH SUCH A GOVERNMENT WHOSE HUMAN RECORD WOULD PROBABLY HE POOR. WHEN EMBOFF REPLIED THAT AMILITARY TAKEOVER WOULD CREATE DIFFICULTIES AND THAT THE USG DID NOT TAVOR SUCH AMOVE, ERYILDIZ STRESSED THE NEED THAT THE USG CONTINUE TO MAKE THAT POINT...PARTICULAREY DIRECTLY TO THE LEADERSHIP OF THE TURKISH MILITARY."

THE EXTENT OF TURKISH ARMY'S DEPENDENCE BECOMES CLEAR WHEN WE NOTICE THAT THE ABOVE WORDS WAS EXPRESSED BY A REPRESENTATIVE OF THE TURKISH POPULAR REPUBLICAN PARTY ON 21,DECEMBER,1979, OR A LITTLE-WHILE BEFOR THE 1980 COUPD'ETAT, IN A BID TO HOLD THE COUP UNDER THE LEADERSHIP OF THE ABOVE MENTIONED PARTY. EVEN THE THEN PREMIER OF TURKEY HAD NO DOMIN_ ATION OVER THE ARMY AND REQUESTED AN AMERICAN EMBASSY OFFICER IN ANKARA

TO STOP TURKISH ARMY FROM LAUNCHING THE COUP D'ETAT. WHEN THE AMERICAN OFFICER STATED THAT " THE U.S. ADMINISTRATION WILL NOT SUPPORT SUCH A MOVE," THE HYPOCRICY OF THE 'GREAT SATAN' BECAME EVIDENT. LATER AFTER THE 1980 COUP INCIDENT, THE U.S. STATE DEPARTMENT OBSERVED THAT IT WAS ALWAYS AWARE OF ITS HAPPENING.
IN ANOTHER PART WE READ:
A TURKISH NATIONAL SECURITY SERVICE OFFICER SUGGESTED....THOUGH ECEVIT MIGHT VIEW HIMSELF AS A " TURKISH ALLENDE " (THE LATE SULVADOR ALLENDE, PRESIDENT OF CHILE OUSTED IN SEPTEMBER 1973), THE TURKISH MILITARY WAS NOT LIKE THE CHILEAN, WHICH WAITED 2 YEARS BEFORETAKING ACTION "
ANOTHER DOCUMENT RELATES THE FOLLOWING:
" HE ALSO KNOWS, HOWEVER, THAT BEFORE IT WILL DO SO THE ARMY MUST BE CONVINCED THAT THIS GOVERNMENT'S ACTIVITIES WILL NOT COMPROMISE THE STABILITY AND SECURITY OF THE COUNTRY."
THESE STATEMENTS AND DOCUMENTS ALONG WITH THE AMOUNT OF BLOOD SHED AS A RESULT OF COUP D'ETATES PLOTTED BY THE WHITE HOUSE BUTCHERS THROUGHOUT THE WORLD, PROVE THAT DEPENDENT MILITARY GENERALS ARE NOTHING THAT WORLD -OPPRESSORS' PUPPETS. ALTHOUGH THE BUDJET AND ARMS OF THESE ARMIES ARE PROVIDED THROUGH THE LABORS OF DEPRIVED NATIONS THEIR SERVICES ARE DIRECTED SO AS TO PROMOTE AND PROTECT THE U.S. INTERESTS AND DOMINATION. BUT ONE WOULD PERHAPS QUESTION THE U.S. MOTIVE IN HER EXTENSIVE CAPITAL-IZATION TO KEEP ARMIES DEPENDENT ON HERSELF,AND THE ABOVE QUESTION WOULD CLEARLY COME UP WITH REGARDS TO ARMIES IN THE MIDDLE-EAST REGION. SO FAR WE HAVE POINTED OUT THE REASON SUBSTANTIALLY, NAMELY AMERICA IS EXPLOIT-ING THEM AS POWER-LEVERAGES.
BUT THESE LEVERAGES HAVE BEEN USED IN VARIOUS DIRECTIONS WITH A SPECIFIC PRACTICALITY INVENTED FOR EACH. THE VICTIM COUNTRY FORMS ONE OF THE ACTION THEATERS, AND IT IS IN THIS AREA THAT THE U.S. EXPLOITS AN ARMY AGAINST A NATION AND ITS GOVERNMENT TO KEEP ON ITS INTERESTS AND DOMINA-TION. ANOTHER ACTION THEATER INCLUDES OTHER REGIONS OF INTEREST TO AMERICA, WHERE IN THE ARMY IS APPLLED TO MAKE AMERICAN MILITARISTIC AND AGRESSIVE POLICIES PALATABLE. AMERICA EXPLOITS ARMIES AS MEANS OF ORGAN-IZING AND EQUIPPING HER WAR-MACHINE TO ACHIEVE STRATEGIC GOALS AND FURTHER IMPERIALISTIC OBJECTIVES. ONE OF THESE GOALS AND OBJECTIVES IS TO CONFRONT AND COMPETE WITH THE SUPER-POWER IN THE EAST.

GAINING ACCESS TO THE WARM WATERS NAMELY THE MEDITERANIAN SEA,PERSIAN GULF, OMAN SEA, INDIAN OCEAN, AND THE SOUTHERN WATERS OF EAST-ASIA HAS BEEN A LONG-STANDING DREAM OF RUSSIA. FROM MILITARY, TRADE AND ECONOMIC VIEW POINTS, THIS ACCESS IS VERY IMPORTANT FOR RUSSIA, YET AMERICA HAS APPLIED THE JOHANSON DOCTORINE TO KEEP HER RIVAL'S HANDS OFF THESE WATERS. ACCORDING TO THIS DOCTORINE A DEFENSIVE LINE WAS DRAWN BEFORE SOUTHERN RUSSIA AND EAST EUROPE. THE DEFENSIVE LINE INCLUDES NATO (COMPRISED OF EUROPEAN STATES), CEATO (INCLUDING SOUTH-EAST ASIAN COUNTRIES), AND CENTO (WHICH INCLUDES CENTRAL ASIAN COUNTRIES SUCH AS TURKEY, IRAN, AND PAKISTAN) PACTS. CENTO IS THE MOST IMPORTANT ONE OF THESE PACTS FROM THE REGIONAL SENSITIVITY AND THE GEO-POLITICAL POINT OF VIEW. FOR THE SAME REASONS THE U.S. HAS MADE HEAVEY INVESTMENTS ON COUNTRIES FORMING THE PACT AND THEIR ARMIES. TURKISH ARMY IS ALSO A VICTIM OF THIS IMPERIALISTIC POLICY, TURNING IT INTO A DOUBLE-EDGED SWARD; ONE EDGE BEING USED TO HUSH THE DEPRIVED MUSLIM NATION OF TURKEY, AND THE OTHER EXPLOITED TO PROMOT STRATEGIC AND OPPRESSIVE OBJECTIVES OF AMERICA.

THERE IS ALSO ANOTHER METHOD WHICH HELPS MAINTAIN AMERICA'S EXPLOITA-TIVE AND PLUNDEROUS POLICIES. IN THIS METHOD FINANCIAL RESOURCES OF SAME SUBJECT COUNTRIES ARE UTILIZED TO ELIMINATE ECONOMIC PROBLEMS OF OTHER SUBJECTS, LEST A DISRUPTION IN THEIR SO-CALLED STABILITY SHOULD HARM AMERICAN INTERESTS.

IN SOME DOCUMENTS WE READ AS FOLLOWS:
WE INTEND TO CONTINUE TAKING SUITABLE OCCASION TO SUGGEST TO OPPROPRIATE OUNTRIES INCLUDING FREINDLY REGIONAL POWERS, SUCH AS IRAN, THAT IT WOULD BE IN THEIR OWN INTEREST TO BE SYMPATHETIC TO TURKISH PROBLEMS. HOWEVER, WE DO NOT INTEND....TO OFFER SIMILAR BENEFIT ON U.S. EXPORTS.
USG MAY WISH TO SUGGEST TO GOVERNMENT OF IRAN THAT IT WOULD BE IN IRAN'S OWN INTEREST TO CONSIDER SUPPLONG OIL TO TURKEY ON DEFERRED-PAYMENTS TERMS. THIS WOULD SERVE BOTH TO FORESTALL OR LIMIT THE GROWTH OF SOVIENT INFLUENCE IN TURKEY, AND TO EASE TURKEY'S FINANSIAL CRISIS.

GIVEN THE SITUATION DESCRIBED ABOVE, NIMETZ SUGGESTED IT MIGHT BE IN THE INTEREST OF IRAN AND OTHERS WHO DESIRE A STABLE WESTERN-ORIENTED TURKEY TO FIND OCCASION TO EXPRESS THEIR SYMPATHETIC CONCERN TO TURKISH OFFICIALS.

WE GET TO ANOTHER INTERESTING AND DELICATE POINT WHILE READING FUTHER INTO THE SUBJECT: REACTIONARY ARAB REGIMES EVADED FROM GIVING FINANCIAL AID TO TURKEY,BEFORE THE ISLAMIC REVOLUTION. LEGAL AND TERRIT-ORIAL DISPUTES MIGHT HAVE BEEN SOME OF THE REASONS, BUT THE MOST IMPORT-ANT ONE IS THE " REGIONAL PUBLIC PRESSURE " OPPOSIND AID TO TURKEY BECAUSE OF ITS POLITICAL RELATIONS WITH THE " REGIME OCCUPYING QUDS ". POPULAR OPINION IS PESSIMISTIC ABOUT TURKEY BECAUSE PRESSURED BY THE U.S., IT IS THE ONLY ISLAMIC COUNTRY HAVING RELATIONS WITH ISRAEL. IN THIS CONNECTION, THE DOCUMENTS ARE READ AS FOLLOWS:

" ....THE TURKS HAD WARNED PARTICIPANTS THAT THEY COULD NOT BE PRESS-URED INTO BREAKING DIPLOMATIC RELATIONS WITH ISRAEL....THE TURKS HAD THREATENED TO WALK OUT OF THE CONFERENCE. "

WHEN THE U.S. SUGGESTED FOR MORE ARE TO BE GIVEN TO TURKEY, SAUDIS RESPONDED AS THE FOLLOWING:

" OCKUN POINTED OUT....THE ARAB COUNTRIES HAD PRESSED TURKEY TO BREAK RELATIONS WITH ISRAEL BUT, HE ASSURED, HE WOULD NOT ALLOW THIS TO HAPPEN

FOLLOWING THE ISLAMIC REVOLUTION, THE DISGRACEFULL CAMP DAVID ACCORDS AND THE DEFUNCT SADAT'S TREACHERY,THE REACTIONARY ARAB SHEIKHS INCREASED THEIR FINANCIAL AIDS TO TURKEY TO PREVENT THE EXPANSION OF THE ISLAMIC REVOLUTION INTO THE REGION.

" ADDING THIS FACTORS TO ACOOLNESS WHICH THE SAG UND OUBTEDLY FEELS TOWARD A GOVERNMENT OF ECEVIT'S POLITICAL STRIPE, WE BELIEVE THAT THE PROSPECTS FOR MAJOR SAUDI AID WOULD BE LIMITED. "

BUT THE CHANGE BROUGHT ABOUT BY THE ISLAMIC REVOLUTION IS SO TREMENDOUS, THAT AMERICA AND HER LACKEYS ARE UNABLE TO IMPEDE IT.

" FACT THAT KUWAIT, A MAJOR ARAB AID DONOR, IS ABOUT TO PROVIDE ASSISTANCE TO TURKEY, IS MORE SIGNIFICANT THAN ASSISTANCE ITSELF.

THE ISLAMIC REVOLUTION AS A PIONEER TO THE UNIVERSAL ISLAMIC MOVEMENT SHALL DESTROY THE GREAT SATAN'S DOMAIN, AND NO OTHER POWER WILL EVER BE ABLE TO SAVE THOSE CAUGHT IN THE CLUTCHES OF DEATH AS THE RESULT OF THIS PROCESS WHICH SHALL SUPPRESS THEM.

LOOKING FORWARD TO THE DAY WHEN ALL MUSLIMS AND OPPRESSED UNITE, AND CUT THE HANDS OF THE SATAN FROM THEIR LAND, THERE BY PROVIDING THE GROUNDS FOR THE ADVENT OF IMAM MAHDI (PEACE BE UPON HIM).

MUSLIM STUDENTS FOLLOWING THE LINE OF THE IMAM.

MEMORANDUM OF CONVERSATION

July 26, 1972

PARTICIPANTS: Vahap Asiroglu, Secretary General for Regional Cooperation for Development
Andrew I. Killgore, Counselor of Embassy for Political Affairs

DATE AND PLACE: July 24, 1972, Ambassador Asiroglu's Tehran Office

COPIES TO: AMB/DCM, POL (3), ECON, Amembassy ISLAMABAD, Amembassy ANKARA, NEA/PAF, NEA/IRN, NEA/RA, INR/OIL/B, POL (BIO)

ASIROGLU, Vahap (Ambassador - RCD)

During a courtesy call on Ambassador Asiroglu, he informed me that he had become Secretary General of the RCD fourteen months ago. He said that although he himself believed profoundly in the potential value of the RCD, the truth was that the organization had not been very successful. Much public acclaim had been lavished on RCD by the three member countries and inflated claims as to its achievements had been made, particularly in Pakistan. But a more honest assessment of real accomplishments, and one of the few to appear publicly, Asiroglu noted, had appeared in the July 24 issue of the English language daily Kayhan reprinted in the following paragraph. Ambassador Asiroglu said he himself had provided Kayhan with the paper on which the editorial had been based. He had done so because he believed an honest look at RCD's shortcomings was a necessary pre-condition to progress in the future.

QUOTE The Regional Co-operation for Development (RCD) marks its eighth anniversary today -- an occasion that should help us reassess its performance and potential.

"Grouping together Iran, Turkey and Pakistan, the RCD represents an attempt at concretizing a noble idea. If successful it might be expanded to serve as a nucleus for a wider regional grouping dedicated to peace and co-operation. Politically, it could serve as a stabilizing factor in a region so vulnerable to rivalries and power struggle.

"But before the RCD can set itself such broader aims it must prove its success. This is precisely what it cannot prove at the moment due to no fault of its own. An international organization is what its members make it to be: it cannot have an entirely separate personality of its own.

CONFIDENTIAL

"RCD's relative lack of success is not solely due to the problems Pakistan is facing at the moment. A change of attitude from the members is needed. In the past few months there have been indications that this change might well be forthcoming. So far, however, there have been no concrete moves in that direction. The best way to wish the RCD a happy birthday, therefore, is to work harder to provide it greater scope and power -- factors urgently needed for its success. UNQUOTE

Asiroglu said RCD had aimed at achieving economic, industrial and cultural cooperation. However, economic cooperation had never really gotten anywhere. The objective had been to accomplish a gradual mutual reduction of import tariffs among member countries. Nothing had been achieved as yet. One of the reasons was that only a tiny percentage of the total trade of the three member countries was with each other.

Asiroglu continued that industrial cooperation among the RCD members had also been seriously disappointing. A ball bearing plant built with Japanese assistance in Karachi symbolized the problems and failures of the RCD on the industrial side. Pakistan owned the bulk of the plant and Turkey and Iran had each bought a ten percent share. Turkey and Iran were obligated to purchase a part of the product over a period of years provided price and quality remained competitive. However, for a variety of reasons, no ball bearings from the Karachi plant had yet reached the market in Iran or Turkey.

Asiroglu professed to see some grounds for optimism growing out of the situation in Pakistan. With Bangladesh now independent, the RCD Ambassador saw Pakistan as having a more realistic view of the world. Pakistan now understood that it could not be a match for India and would be looking to its fellow Muslim countries of Turkey and Iran for psychological and political support. Asiroglu said he was off to Islamabad on July 25 for talks with Pakistani officials. He was reasonably optimistic that he would find them readier than before to cooperate on concrete RCD projects.

The RCD Secretary General said that in expressing cautious optimism about RCD's future he did not wish to leave an impression that fundamental obstacles did not remain. He realized that reservations about the efficacy of RCD are strong in both Turkey and Iran. In his own country many people, including some high ranking Turkish officials, did not really believe in RCD. These officials tended to see Turkey as a part of Europe. As a de facto member of the European Economic Community, Turkey's economic future lay in Western Europe and not in the less developed areas to the East, these officials felt.

CONFIDENTIAL

In Iran itself, Ambassador Asiroglu had received intimations of a view on the part of some officials that Iran did not really need Turkey and Pakistan. The reasoning of these Iranians was that Iran already had large capital from its oil exports. Capital would increase and the Iranian economy would continue to burgeon without regard to RCI. In other words, Iran could make it on its own. Unfortunately some Iranians were disposed to believe that Pakistan and Turkey were in RCI mainly for what they could get out of it from the wealthy Iranians.

Asiroglu stated that for Turkish and Iranian critics of RCI he had an answer, i.e.; a successful RCI would attract foreign capital. All three member countries needed outside capital investment. The combined population of the three member countries was 120 million. To the extent that they could work together on the economic and industrial side, the more attractive the area would be for outside investors. It was this potential advantage for all RCI members which the Ambassador was pressing in his job as Secretary General. Asiroglu realized that he faces a real challenge in pumping real life into the organization. However, he liked challenge and was confident that a much greater degree of success could be achieved than has been attained up until now.

A FOOTNOTE

Whatever reservations some Iranians may privately harbor about RCI, these were not apparent at Ambassador Asiroglu's huge reception at the Intercontinental Hotel July 24, marking the 8th anniversary of the founding of RCI. Prime Minister Hoveyda and Foreign Minister Khalatbari led a large assemblage of official and private Iranian leaders in evidence at the reception. The Iranian's came early and stayed late while photographers' flashbulbs were like summer lightning. So we may say that at least on the ceremonial and psychological level, the GOI regards the RCI as important.

A BIOGRAPHIC FOOTNOTE ON ASIROGLU

Mid-fifties, perhaps slightly older. Excellent English, very friendly towards United States and Americans. Refreshingly candid and open. Honest, straightforward, no cant.

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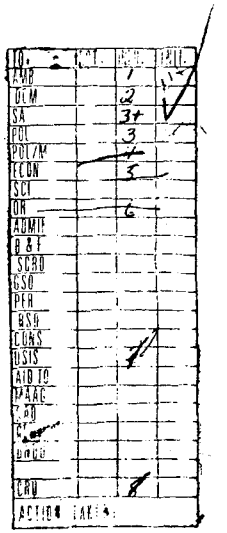

Biographic Report

Turkey's New Leaders: President Fahri Koruturk and Prime Minister Naim Talu

Secret
BR 73-5
June 1973

WARNING

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PREFACE

This report contains biographies of Fahri Koruturk and Naim Talu, respectively President and Prime Minister of Turkey.

Background

On 13 March 1973 the Grand National Assembly of Turkey began balloting for a new President. The leaders of the armed forces wanted former Gen. Faruk Gurler, who had resigned as Chief of the Turkish General Staff in order to be a candidate, but he failed to obtain a majority. Ballot after ballot failed to produce a winner. When the term of President Cevdet Sunay expired on 28 March without a successor in sight, Tekin Ariburun, President of the Senate, became Acting President of Turkey. Attempts to find a compromise candidate continued until 6 April; then, on the 15th ballot, the three major parties--the Republican People's Party (RPP), the Justice Party (JP) and the Republican Reliance Party (RRP)--agreed on Senator Fahri Koruturk. He received 365 votes, 47 more than the necessary 318; he is to serve a 7-year term.

On 7 April the Prime Minister, Ferit Melen, presented his resignation, and discussion began on the selection of a successor. The RPP, the country's second largest party, refused to go along with the other two, which proceeded to choose Naim Talu; and on 12 April Koruturk asked Talu to form a new government. Talu will be Prime Minister only until the October 1973 elections.

This report was prepared by the Central Reference Service and was coordinated within CIA as appropriate. Comments and questions may be directed to William Chidekel, Code 143, ext. 6788.

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The New Government

On 14 April Talu and the chairmen of the two parties signed a 10-article protocol. It provided that, *inter alia*, the new government would be drawn from the JP and the RRP; elections definitely would be held on 14 October 1973; proposed reform legislation would be passed; and the government would fight against high prices, poverty, unemployment and Communism.

On the following day Talu named a 24-man Cabinet--14 from the JP, five from the RRP, three independents and two nonpolitical. (The Constitution requires that before national elections the Interior, Justice and Communications portfolios must be held by independents.) The two nonpolitical members, Foreign Minister Haluk Bayulken and Minister of State Ilhan Oztrak, were holdovers from the Melen Cabinet. Eleven of the Ministers are lawyers, five are doctors, four are administrators and two are industrialists. The Cabinet also includes a forester, a geographer, two professors and a diplomat. They make up the most experienced Turkish Cabinet since the military forced the resignation of Suleyman Demirel as Prime Minister in March 1971; half of the members have served in other Cabinets. Their average age is 53. On 26 April the Talu government easily won a vote of confidence in the National Assembly, 261 to 94.

TURKEY

Fahri KORUTURK

President

On 6 April 1973 the Grand National Assembly elected Senator Fahri Koruturk (pronounced KAWrooturk) to a 7-year term as President of Turkey. His election ended a 25-day deadlock among politicians and military leaders over the selection of a new President. The Turkish Constitution limits the presidential powers, but the last two Presidents have nevertheless played a significant role as buffers between the often conflicting views of the military and civilian leaders. The new President is expected to continue to fill this role.

Attitude Toward the United States

A former Commander of the Turkish Navy (1957-60), Koruturk had close contacts with US service personnel in the years between World War II and 1960. He visited the United States in 1958 as a guest of the Chief of Naval Operations, and while in this country, he visited the Marine Corps School at Quantico, Virginia. His relations with American officials before 1960 were sometimes strained; his attitude toward Americans became more favorable, however, while he was Ambassador to the USSR (1960-64).

Early Life and Career

Fahri Koruturk was born in Istanbul in 1903, the son of Osman Sabit. (The name Koruturk--defender of the Turks--was given to him in 1935 by Kemal Attaturk, the founder of modern Turkey.) Entering the Turkish Naval Academy in 1916, Koruturk graduated in 1923. He then served aboard a number of ships and submarines and in various shore assignments, including training posts. Part of his

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training during this period took place in Germany. (He was considered pro-German during World War II.)

Koruturk became a lieutenant (junior grade) in 1924, a lieutenant in 1927 and a lieutenant (senior grade) in 1933. He was assigned to the General Staff in 1934 and became naval attaché in Rome in 1935. As a lieutenant commander he served from 1937 to 1938 as naval attaché in Berlin, with concurrent accreditation to Stockholm and Oslo. In 1938 he became chief of staff of the Submarine Fleet. He received his first command, the submarine *Dumlupinar*, in 1940. In 1941 he was promoted to commander and became acting commander of Submarine Flotilla I.

Koruturk returned to Berlin as naval attaché in 1942. Promoted to captain in 1943, he was given command of Submarine Flotilla II. In 1944 he was an instructor at the Naval War Academy; a year later he was its commandant. He returned to Submarine Flotilla I in 1947. In 1948 he served as director of Section I of the Fleet and then as chief of staff of the Naval Training Corps Command. He was chief of staff to the commander of the War Fleet in 1949.

Promoted to rear admiral (one star) in 1950, Koruturk became acting commander of the Istanbul Naval Forces and then commander of the Submarine Fleet. Three years later, after promotion to rear admiral (two stars), he became commander of the War Fleet. In 1954 he headed the Training Command, and in 1955 he served as chief of intelligence on the General Staff; later the same year he became commander of the fleet.

In 1956, after Koruturk's promotion to vice admiral, he became commander of the Straits and Marmara Defense Command. In 1957 he became Acting Commander of the Navy. He was promoted to admiral and appointed Commander in Chief of the Turkish Naval Forces in 1959. He held that post until the May 1960 coup.

Sailor Turned Diplomat

After the coup, the ruling Committee of National Unity immediately purged many of Koruturk's

colleagues on the General Staff for having been identified with the regime of Prime Minister Adnan Menderes. Koruturk escaped the purge and was appointed Foreign Minister in the new Cabinet; he resigned several hours later, however, when Foreign Ministry officials strongly urged that a civilian occupy that position. He was then sent to Moscow as Ambassador.

The years in Moscow were difficult for Koruturk. Like many other Turkish military men who had been brought up to think of them as enemies, he had always had some distrust and fear of Russians, but he wanted to exemplify the dignity and integrity of a Turkish diplomat. (He was among the few diplomats who did not change dollars on the free market.) He remained a proud officer and a staunch anti-Communist but nevertheless scored some small successes in establishing better relations with the USSR.

The Cyprus issue, however, was a more difficult problem. Koruturk was critical of the Soviet position on Cyprus and especially condemned Soviet anti-US broadcasts beamed at Turkey. In August 1964 he was recalled, partly because of Russo-Turkish differences over Cyprus and partly because of ill health.

On his return to Turkey Koruturk requested retirement, but President Cemal Gursel, who was fond of him, asked him to go to Madrid as Ambassador. Koruturk agreed, but a nervous condition forced him to return home without presenting his credentials, and in July 1965 he retired from government service. Information is not available on him from then until June 1968, when President Sunay appointed him a Presidential Contingent Senator.

The Senator

In the Senate, Koruturk was known as a moderate who scrupulously avoided affiliation or close ties with any party. He won the approval of leftist intellectuals when he was one of the few who voted

against a constitutional amendment to establish state security courts. On the other hand, he backs the use of the army to put down leftist extremists. Serving uneventfully at first, he became chairman of the Presidential Contingent in 1972. After the resignation of the government of Nihat Erim in April 1972, some observers believed that Koruturk would be President Sunay's choice for Prime Minister. The Prime Ministership went to Ferit Melen, however, after Koruturk declined on the grounds that it required more energy than he could muster.

Personal Data

Extremely neat in appearance, Koruturk is 5 feet 5 inches tall, slight and balding. He makes a good initial impression. His erect military bearing seems to be derived from his early military training in Germany. During his naval career he was admired by junior officers as a man of character, and he has earned a reputation for integrity. Koruturk is polite, quiet and reserved and not a social mixer, but he can engage in polite conversation when required. He speaks fluent German, fair English and some Italian. The President enjoys classical Western and Turkish music and is fond of reading. He loves the sea. He likes track and field sports, which he engaged in as a youth; he played soccer in the navy and used to attend matches during his tour in Moscow.

Family

The President's wife, Emel, 55, is related to a former Ottoman ruling family. She is very much a lady, gracious and pleasant to everyone. She has large, bluish gray eyes, a light-brown complexion and a small, delicate frame. A graduate of Notre Dame de Sion high school in Istanbul, she attended a fine arts school in Geneva and the Fine Arts Academy of Istanbul. Mrs. Koruturk is still interested in art; she paints but does not consider herself a painter and is reluctant to discuss her own work. She speaks fluent French but very little English.

The Koruturks have three children. The eldest, Osman, 28, is a law school graduate. He is performing his military service and is interested in a diplomatic career. The second son, Salah, 24, is a student of political science at Ankara University. The President's daughter, Ayse, is a 17-year-old high school senior in Istanbul.

Koruturk's half brother, Sadi Koru, teaches architecture at the University of Florida at Gainesville. His stepmother, Nuriye, is 100 years old; she married his father when Koruturk was 5 years old.

President and Mrs. Koruturk

TURKEY Naim TALU

Prime Minister

On 12 April 1973 President Fahri Koruturk summoned Senator Naim Talu (pronounced TALoo) to the Cankaya Presidential Residence and asked him to form a new government. Two days earlier the President had accepted the 7 April resignation of Prime Minister Ferit Melen, in whose Cabinet Talu had served as Minister of Commerce. Talu's tenure as Prime Minister will last only until the October 1973 elections.

Talu is a political moderate. He is technically an independent but is close to the Justice Party (JP) in his political views and to JP Chairman and former Prime Minister (1965-71) Suleyman Demirel. (Demirel had a considerable say in the selection of Talu's Cabinet, and the JP contingent in it is largely made up of Demirel lieutenants.) Talu is opposed by Bulent Ecevit, chairman of the Republican People's Party (RPP), who has accused him of being a tool of big business.

Early Life and Career

Naim Talu was born in 1919 in Istanbul. He is a graduate of the Kabatas Lycée and of the Faculty of Economics of the University of Istanbul. After graduation he fulfilled his military obligations. He began his government service at the Sumerbank and in 1946 transferred to the Central Bank. After serving in various capacities, he became assistant to the governor of the bank in 1965. He rose to acting director general in 1966, director general in 1967 and governor in 1970.

In August 1970, during Suleyman Demirel's Prime Ministership, Talu was one of the sponsors of the devaluation of the Turkish lira. He

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became Minister of Commerce in Nihat Erim's Cabinet in December 1971 and was reappointed by Erim's successor, Melen, in May 1972. In July 1972 President Cevdet Sunay appointed him a Presidential Contingent Senator.

Travel

Since 1965 Talu has regularly represented his country at annual meetings of the International Monetary Fund. Most of these have been in Washington, D.C.; one was in Rio de Janeiro. In February 1967 Talu traveled to Switzerland for negotiations for a loan to Turkey from the European Monetary Agreement (EMA). He was in Paris for the January 1971 meeting of the EMA.

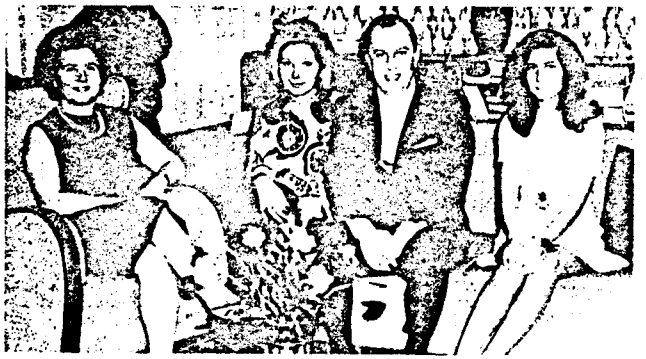
Personal Data

Talu is somewhat selective in his diet. He speaks fluent English.

The Prime Minister is married. His wife, Gevher, was born in 1920 in Istanbul. A graduate of the Law Faculty of the University of Istanbul, she served as a consulting attorney for the Turkish State Railways from 1944 until her retirement in 1971. Mrs. Talu is attractive and cordial and enjoys meeting American women. The Talus enjoy the movies, theater, music and swimming. They especially enjoy playing bridge.

The Talus have two daughters. Tulin, a graduate in psychology of Hacettepe University, works for Ankara Television. Just 3 days before Talu was offered the post of Prime Minister, she presented him with his first grandchild. The other daughter, Fusun, is a high school senior.

14 June 1973



The Talu family

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Biographic Report

Bulent ECEVIT
Turkey's New Prime Minister

Secret
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NATIONAL SECURITY INFORMATION
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TURKEY

Bulent ECEVIT

Prime Minister

Bulent Ecevit (pronounced EDGEuhveet) became Prime Minister on 25 January 1974, when he ended a 3-month-long governmental crisis by announcing the formation of a coalition government, led by his own left-of-center Republican People's Party (RPP) and joined by the populist, Islam-oriented National Salvation Party (NSP). A man of substantial intellect, Ecevit is well-informed on both domestic and international issues. His practical experience, however, has been primarily in the domestic sphere, although he did act as former Prime Minister Ismet Inonu's interpreter during negotiations with the United States in the early 1960's.

Uneasy Coalition

President of the RPP since May 1972, Ecevit earned the right to form a government by leading the party to a plurality in the 14 October 1973 parliamentary elections. Shortly after the elections, he tried to form a coalition with the NSP. That attempt failed, however, because the NSP leaders could not agree with him on the control of certain Ministries and because some ultraconservative NSP Deputies objected to parts of the RPP's rather progressive program.

During November and December the right-of-center parties, led by former Prime Minister Suleyman Demirel's Justice Party (JP), tried to form a

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coalition, and in December and January President Fahri Koruturk tried to encourage either a JP-RPP Cabinet or an all-party government. On 15 January Ecevit was again asked to try to form a government. Ten days of negotiations with NSP leaders created a new government with a slim parliamentary majority of eight seats.

Socialist

Ecevit is a moderate socialist with an apparently firm and sincere commitment to the principles of democracy, social justice and peaceful change. A major factor in his strong attachment to socialism is his belief that its adoption is essential to protect democracy in Turkey and ward off Communism. For this reason, among others, he has criticized regimes as diverse as those of former Prime Ministers Naim Talu (April 1973-January 1974) and Adnan Menderes (May 1950-May 1960) for policies that, in his opinion, favored business interests over those of the nation as a whole.

Because of his leftist proclivities, critics accuse Ecevit of being a crypto-Communist or worse. In November 1972, for example, a Turkish military source asserted in confidence that martial law authorities had evidence indicating that Ecevit was a Communist. A Turkish National Security Service officer suggested in October 1973 that Ecevit was far more extreme a leftist than his campaign speeches indicated. The officer added that, though Ecevit might view himself as a "Turkish Allende" [the late Salvador Allende, President of Chile ousted in September 1973], the Turkish military was not like the Chilean, which waited 2 years before taking action. There is no objective evidence to support these allegations.

Plans and Attitudes: Domestic

US Embassy officials believe that, at the outset of his administration, Ecevit will concentrate on solving Turkey's many domestic problems and on strengthening his own parliamentary

and popular support. In the domestic sphere as well as in the international, however, Ecevit may be somewhat restrained by the narrow base of political support his government enjoys and by differences within the coalition.

Amnesty

At various times since the election, Ecevit has indicated that a bill providing general amnesty for political prisoners will be the first piece of legislation his government submits to Parliament. The amnesty would extend to those convicted of "thought crimes," e.g., translating and publishing standard Marxist literature already available in most Western libraries, and of strictly political offenses but not to those convicted of terrorist activities.

The Economy

Ecevit is not opposed in principle to private enterprise, but he is thought to desire stricter governmental regulation of and considerable governmental intervention in the economy. Like many socialist-oriented intellectuals, Ecevit believes strongly in agricultural reform, including measures to limit landholdings and to redistribute land to those who have little or none. He has urged the adoption in Turkey of "democratic free enterprise," i.e., state regulated, as distinct from "individual free enterprise."

The social democratic bent is apparent in the new Prime Minister's still incomplete economic policy. He has said he would like to develop a rational plan for using foreign reserves resulting from the remittances of the many Turkish laborers in Europe; to find ways to halt inflation; and to reduce the number of middlemen, who he feels are too numerous, particularly in agriculture. He has intimated that his government may provide credits to help farmers organize themselves.

Ecevit is thought to regard the private sector with suspicion. In the fall 1973 election campaign he continued to speak against "monopoly capital," both foreign and domestic--an issue he

has concerned himself with since at least 1967. Since the election he has written that to ignore the exploitative policies of private enterprise in hope of speedy national development will inevitably open the door to external exploitation, because private enterprise uses foreign support to gain leverage against its own government. This he feels leads to the integration of the domestic concerns with foreign companies; and with integration the economically weak nations become economic satellites of the strong.

A US Embassy official has suggested that Ecevit may require foreign companies to acquire a more Turkish character and may even raise additional obstacles to foreign investment and the operation of foreign companies in Turkey. (Largely reflecting Ecevit's views, the RPP election platform called for nationalization of petroleum resources, which for some time have been controlled in part by foreign countries. The RPP-NSP coalition protocol is, however, somewhat less forceful, calling for a review of the petroleum laws and change where necessary.) Ecevit will probably act pragmatically in these matters, selectively applying obstacles to foreign investment and the operation of foreign companies in accord with general foreign policy dictates.

The Army and Politics

Ecevit is wary of the power of the military and would like to see it disengage from politics, after nearly 3 years of indirect intervention. He also knows, however, that before it will do so the army must be convinced that his government's activities will not compromise the stability and security of the country.

Plans and Attitudes: International

US Embassy officials do not expect Ecevit to embark soon upon any major new foreign policy initiatives or any fundamental change in foreign policy. (Indeed the RPP-NSP protocol stated that Turkey's foreign policy orientation will remain the same.) The new Prime Minister may

nevertheless look more critically than his predecessors at some hitherto sacrosanct Turkish foreign policy positions.

United States

Ecevit is basically pro-West, but in keeping with his advocacy of nationalism, he has called for less dependence on the United States. He has had considerable personal contact with the United States and with Americans but has sought to avoid being identified either as a partisan or as an adversary of this country in order to maintain a free hand in formulating policy and building his party. The RPP platform called for a tougher, more independent approach to joint defense. This could give Ecevit a mandate for a reexamination of US-Turkish defense arrangements, although he has always been careful to stress Turkey's need for an alliance with the United States.

Ecevit is publicly committed to review the US-encouraged ban on opium poppy production (in effect since July 1971). He apparently does not wish to run counter to US and European sentiment on the issue, but he feels that Turkey must legalize some poppy cultivation. He has been under pressure from former poppy growers, whose livelihood has been drastically affected by the ban and who have not yet found a satisfactory alternative. Ecevit has suggested that technical and administrative measures might be imposed during the growing season to prevent misuse of the product. He may also press the US Government for additional funds for crop substitution programs and farmer compensation.

NATO

Since the late 1960's, Ecevit's public and private remarks have shown that he has certain reservations regarding Turkey's association with NATO. He has, however, never seen any viable alternative. During a press interview in October 1973, he indicated that he planned to keep Turkey in NATO. Furthermore, according to a usually reliable political observer, he does not plan to shut down any NATO bases. Ecevit is thought to

feel, however, that Turkey should not rely entirely on NATO for its defense and that it should take a greater interest in the movement toward European economic and political integration.

European Economic Community

Ecevit claims to attach great importance to continuing Turkey's association with the European Economic Community (EEC), but he has some reservations regarding the course future developments should take. He suggests that the Turkish economy has not yet made the effort needed for full participation in the EEC. He also suggests that Turkey has already made too many concessions to it (most notably in limiting the export of Turkish textiles and fruits), while receiving too few in return. He is thought to favor reviewing the protocol between Turkey and the EEC, particularly those sections dealing with the period of Turkey's transition from associate to full membership and with restrictions on Turkey's trade with non-EEC countries.

Relations with Greece and Cyprus

Ecevit has asserted that Cyprus is at the root of the differences between Turkey and Greece. He is thought to believe that the two countries have mutual interests beyond Cyprus and that they should solve the Cyprus problem as quickly as possible. He apparently supports the ongoing intercommunal talks among the Greeks, the Turks, and the Greek and Turkish Cypriots.

Student and Journalist

Bulent Ecevit was born on 28 May 1924 in Istanbul. His family moved to Ankara in 1929, when his father was elected an RPP Deputy to the Grand National Assembly (GNA). Ecevit attended Mimar Kemal Elementary School (until 1936) and the Ankara Attaturk High School, before entering Istanbul's Robert College. His parents wanted him to study architecture, engineering or law, but instead he took courses leading toward a career in journalism or creative writing.

After receiving his B.A. degree in 1944, Ecevit moved back to Ankara, where he worked for a time as an interpreter in the Ministry of Press, Broadcasting and Tourism. At the same time he studied English language and literature at the Faculty of Language, History and Geography of Ankara University. When his chief at the Ministry was sent to London in 1946 as press attaché, Ecevit was assigned to go along as his secretary. In his free time Ecevit continued his education, studying Sanscrit, Bengali and the history of art at the School of Oriental and African Studies of London University and at the Courtauld Institute of Art.

Promoted to press attaché in 1949, Ecevit remained in London in that capacity until 1950, when he returned to Turkey. That same year he became a member of the RPP and joined the staff of the party's Ankara propaganda organ, *Ulus*, as foreign editor. Ecevit took a leave of absence from *Ulus* during 1951-52 to fulfill his military obligation as a reserve officer in the Protocol Section of the Turkish General Staff.

In 1952 Ecevit returned to *Ulus*, and during the following 9 years he became its executive director and finally its political director. In the latter position he wrote an almost daily column of political comment that was often sharply critical of the regime of then Prime Minister Menderes--this notwithstanding Menderes' temporary proscription of *Ulus* in 1953.

Ecevit's journalistic horizons were broadened during 1954 and 1957, when he traveled to the United States, first on a State Department grant as a guest writer with *The Journal and Sentinel* in Winston-Salem, North Carolina, and then on a Rockefeller Foundation Fellowship to Harvard University, where he studied Ottoman history. Between 1950 and 1957 Ecevit devoted a great deal of his time to nonjournalistic literary work and gained a considerable reputation as a lecturer, translator, writer and critic.

The RPP

In 1957 Ecevit ran successfully on the RPP list for a seat representing Ankara in the GNA. He quickly became one of the better known younger party members and moved into the party's higher councils. Several factors contributed to his rapid rise in the party, including his good relationship with party leader Ismet Inonu, his organizational work in the RPP youth branch, his prominence as party press spokesman, his active interest in his work on the GNA Foreign Policy Committee, and his membership in the RPP "Shadow Cabinet" and Research Committee.

After the military coup in May 1960, the RPP selected Ecevit to be a member of the Constituent Assembly, which the military government charged in January 1961 with drawing up a new constitution. In October 1961 Ecevit was again elected RPP Deputy from Ankara and assumed a position on the party's Central Administrative Board.

Inonu's Minister of Labor and Right-hand Man

In November 1961 Ecevit became Minister of Labor in the RPP-JP coalition government headed by Inonu. (At this juncture he quit his job at *Ulus*, for lack of time.) Despite his inexperience in labor matters, Ecevit proved to be an able Minister, working to advance the rights of labor and supporting progressive legislation. In the Cabinet reshuffle of June 1962, Inonu asked him to stay on at Labor.

Ecevit's devotion to the cause of the laboring man was no doubt sincere. He was also motivated, however, by a political desire to undercut the influence of the Turkish Labor Party. By the end of his tenure as Minister in February 1965, Ecevit had developed a considerable following among students and workers and was well established as an RPP spokesman. He had also gained respect in the party by avoiding devious maneuvers and personal attacks on other members and had replaced Turhan Feyzioglu (now a leader of the Republican Reliance Party) as spokesman for the RPP's young intellectuals.

By 1961 Inonu already had considerable confidence in Ecevit. During 1963-67 their personal relationship grew so close that Inonu's public statements began to have an Ecevit ring to them. By February 1966 RPP leader Fethi Celikbas had come to view Ecevit as Inonu's most influential adviser.

Left of Center

Ecevit's policies had begun to show a leftist orientation during his tenure as Labor Minister. From his new political base as RPP Deputy from Zonguldak (elected in the fall of 1965) Ecevit began advocating the incorporation of socialist programs into the party's platform. By 1966 he had persuaded Inonu to support him and his leftist faction rather than Feyzioglu, who was urging that the party remain in the center of the political spectrum. Ecevit was very careful, however, to differentiate between his brand of socialism and that of the extreme leftist Turkish Labor Party. He emphasized that his left-of-center movement was merely the application of the principles of social democracy advocated by the 1960 revolution.

In October 1966 Ecevit was elected RPP secretary general and, with his supporters, officially shifted the party's policy to left-of-center. The leftward movement did not go unchallenged; in May 1967 a number of Ecevit's critics left the party in protest against its policy and formed the Reliance Party. Despite such dissent, Ecevit's program, and his prestige and power within the party, were reaffirmed by party conventions in 1967, 1968 and 1970. By mid-1968 Ecevit was widely considered the most prominent contender for the RPP presidency should Inonu retire or die, although some party leaders considered him too young and brash to command the support of more conservative elements of the party. Inonu himself had by that time begun to have certain doubts about Ecevit's future in the party. Ecevit's Zonguldak constituency reaffirmed its support by reelecting him Deputy in the fall of 1969.

Resignation

When Inonu decided in March 1971 to allow RPP members to hold portfolios in the Cabinet of Nihat Erim, Ecevit resigned as secretary general--despite his close personal relationship with and respect for Inonu. He argued that Erim's government--an "above politics" administration as demanded by top military leaders--was in fact formed "to please foreign capital, NATO and the Common Market" and was not in the best interests of democracy in Turkey. In the wake of his resignation Ecevit tried to avoid worsening the break with Inonu, by staying out of Ankara politics and building instead on his already impressive strength at local and provincial levels of the party. The split between the two men widened, however, exacerbated by Ecevit's refusal to support the Erim government and by his success in maintaining his prominence in the party.

RPP President

So successful were his efforts that Ecevit was elected party president during an extraordinary RPP convention in May 1972--Inonu had resigned when he lost a bid to have Ecevit's supporters removed from positions of power in the party. Ecevit's election was a severe blow to short-term party stability. Many older and conservative members threatened to form a new party that more accurately reflected their politics, and others suggested that the change in leadership marked the end of the RPP as it had been. A number of senior army generals also found Ecevit's election disturbing. Distrusting him as a leftist, they advised Chief of the Turkish General Staff Memduh Tagmac to take steps to prevent Ecevit from coming to power in the next general election.

In response to these developments, Ecevit took pains to create a statesmanlike image to show that he was no wild-eyed radical and sought to heal the party's wounds. He asserted that the RPP had moved only slightly leftward and had not been infiltrated by anyone who would try to move it further in that direction. Encouraged by his reelection as president in July, however, Ecevit

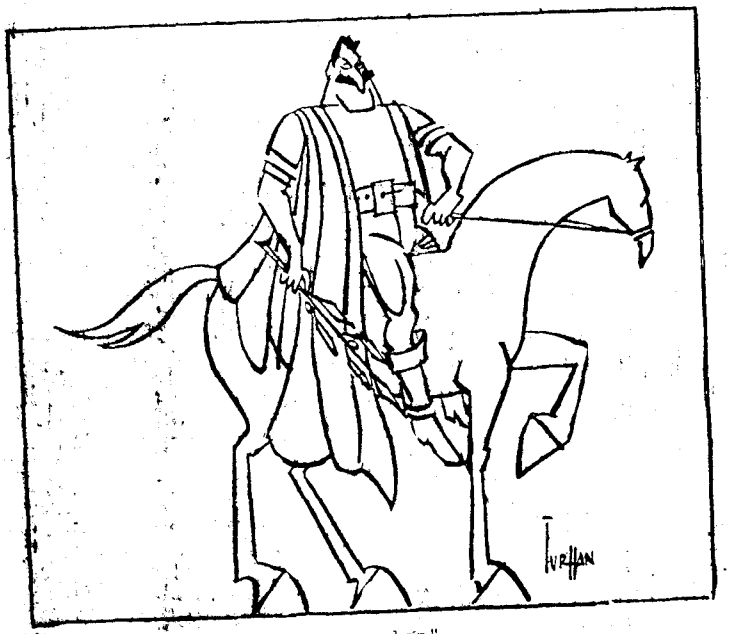
lost little time in demonstrating his control over the party. In November 1972 he reversed Inonu's policy of RPP support for the "above politics" coalition, criticizing the recently adopted 5-year economic plan and accusing then Prime Minister Ferit Melen of being too much influenced by the rightwing parties in the coalition. In response, Inonu and 25 Deputies resigned from the RPP.

In December, Ecevit asserted that the non-party governments were proving ineffective and advocated an early return to political government. In January 1973 he criticized the relationship between the government and the martial law authorities (martial law had been imposed in the spring of 1971, when the military ousted Prime Minister Suleyman Demirel by ultimatum). In so doing he challenged the tacit contention of the Turkish military that, in spite of its intervention, it had preserved democratic forms in Turkish politics. Under Ecevit's guidance, in the Presidential election of March 1973, the RPP abstained from voting in protest against the military's pressure for the election of former Gen. Faruk Gurler, but it took part when a nonpartisian, compromise candidate, Fahri Koruturk, was proposed. The RPP decided to remain in opposition when Naim Talu formed a government in April.

During the same 1972-73 period, while Ecevit was criticizing the military-sponsored governments, the military became increasingly doubtful of Ecevit. A reasonably accurate military source reported in November 1972 that martial law authorities were examining recordings of Ecevit's public speeches to determine if he had broken any law. The source also reported that there had been talk of lifting Ecevit's parliamentary immunity so that he could be prosecuted for criticizing martial law. Another military source reported in December that the same authorities were planning to prosecute Ecevit on charges of encouraging opposition to the existing order. Nothing appears to have come from this activity.

Travel

Ecevit has traveled widely in Europe. He visited Britain in 1951 as a member of a press delegation invited by the Foreign Office; France, Portugal and Italy in 1953 as a member of a NATO-sponsored press delegation; and France in 1958 as a member of the GNA delegation to the European Consultative Assembly in Strasbourg. He also traveled throughout Europe in 1964 as Labor Minister, investigating the situation of Turkish workers abroad. He is said to feel at home in Western surroundings.



"Karaoglan"

Style

Some observers have described Ecevit as an agreeable man with a winning personal manner; others find his disposition somewhat humorless and regard his outwardly attractive personality as mere studied simplicity and sincerity. Ecevit has reminded one US Embassy official of a bright, well-mannered schoolboy summoned from among his classmates to be shown off to visiting adults. His posture and gestures sometimes suggest that he is ill at ease and tense.

During the 1973 election campaign, Ecevit's supporters nicknamed him Karaoglan after a swashbuckling Robin Hood of Turkish folklore. They deemed it appropriate because of their hero's alleged courage and integrity and his dark complexion, black hair and boyish face.

Ecevit the Intellectual

An intellectual whose interests range far beyond politics, Ecevit is devoted to art and literature. He has a particular interest in the Renaissance period, humanism and Hindu philosophy. He has written poetry since his childhood, and some of his works as a poet, essayist and critic have been translated into English. His publications include translations into Turkish of T.S. Eliot's *Cocktail Party*, Thornton Wilder's *The Woman of Andros*, and two works, *Gitamjali* and *Avare Kurlar*, by the noted Indian poet Rabindranath Tagore. In 1954 Ecevit was one of the owners and editors of the then recently established political and cultural review *Forum*.

Clearly a member of the intelligentsia himself, Ecevit is thought to attach considerable importance to leadership by intellectuals. He considers leadership their duty, however, rather than their privilege. Ecevit is known for his carefully reasoned views and has been described as well organized, practical and energetic.

In 1952 Ecevit was among the founders of the Helikon Art Society in Ankara. As of 1963 he held

memberships in the Ankara Journalists Association the International Art Critics Association and the International Press Institute.

The Prime Minister is known as a good orator. He is fond of the cinema. He has stomach ulcers and does not drink, although he serves alcoholic beverages to his guests. Ecevit speaks fluent English.

A Family of Artists

Rahsan Ecevit, 51, the Prime Minister's wife since 1945, is a graduate of Robert College in Istanbul, where she met Ecevit. One source reports that she views politics as a corrupting influence and that she dislikes the changes it has brought about in her life. This source also asserts that Mrs. Ecevit considers pure journalism and creative writing to be her husband's natural occupations and hopes he will one day return to them. Another source claims, however, that Mrs. Ecevit is perhaps the driving force behind her husband's political career. Mrs. Ecevit is intelligent, pleasant and rather quiet. She is a painter of some ability. She speaks excellent English. The Ecevits have no children.

The Prime Minister's mother, Nazli, is also a painter of some prominence and has taught art. A founding member in 1952 of the Women's Branch of the RPP she has been Uskudar County branch chairman of that organization ever since.

11 February 1974

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TAGS: TU, IR, US, LV, EFIN, PEPR

SUBJECT: TURKISH/IRANIAN RELATIONS

1. ON MARCH 1 IRANIAN POLITICAL COUNSELOR ARDALAN VISITED DEPARTMENT COUNSELOR NIMETZ FOR GENERAL DISCUSSION THAT ULTIMATELY FOCUSED ON IRAN'S RELATIONSHIP WITH TURKEY.

2. ARDALAN ASKED NIMETZ FOR SUMMARY OF COUNSELOR'S RECENT TRIP TO TURKEY. NIMETZ COMMENDED ECEVIT GOVERNMENT FOR GOOD START ON CYPRUS, GREEK, AND ECONOMIC PROBLEMS. ECEVIT GOVERNMENT IS PRESENTLY EDUCATING ITSELF AND FINDING THAT THE ECONOMY IS WORSE THAN THEY IMAGINED AND THAT INTERNATIONAL PERCEPTION OF TURKEY, FLOWING FROM CYPRUS AND GREEK RELATED PROBLEMS, GREATLY COMPLICATED SOLUTION OF ECONOMIC AID SECURITY PROBLEMS. BULK OF DISCUSSION IN ANKARA DEALT WITH TURKISH DESIRE FOR ECONOMIC ASSISTANCE SO THAT DEMOCRATIC/SOCIAL FABRIC COULD WITHSTAND TEST OF NEEDED AUSTERITY MEASURES.

3. U.S. EXPRESSED SYMPATHY FOR TURKEY'S PLIGHT AND DESIRE TO HELP TURKEY RESOLVE ITS PROBLEMS WHILE MAINTAINING WESTERN ORIENTATION. AT SAME TIME, IT HAD BEEN NECESSARY TO URGE TURKEY TO FIRST WORK OUT AGREEMENT WITH IMF AND MAJOR FOREIGN CREDITORS. NIMETZ MENTIONED THAT HIS VISIT TO ANKARA COINCIDED WITH THAT OF LIBYAN PRIME MINISTER JALLOUD. ECEVIT APPEALED FOR LIBYAN ECONOMIC SUPPORT AND WHATEVER LIBYAN RESPONSE MIGHT HAVE BEEN, ECEVIT HAD SEEMED SOMEWHAT PIQUED BY JALLOUD VISIT.

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4. IRANIAN COUNSELOR COMMENTED ECEVIT IS GENERALLY TEMPTED TO FLIRT WITH COMMUNALS AND HAS BEEN SOMEWHAT ATTRACTED TO LIBYAN S LEADER QADHAFI. HE ALSO NOTED A GROWING PREDILECTION OF MANY IN TURKEY TOWARDS SEEKING AN ARRANGEMENT WITH THE SOVIET UNION.

5. GIVEN THE SITUATION DESCRIBED ABOVE, NIMETZ SUGGESTED IT MIGHT BE IN THE INTEREST OF IRAN AND OTHERS WHO DESIRE A STABLE WESTERN-ORIENTED TURKEY TO FIND OCCASION TO EXPRESS THEIR SYMPATHETIC CONCERN TO TURKISH OFFICIALS.

6. ARDALAN RESPONDED THAT SINCE WORLD WAR II, IRAN OFFICIALLY MAINTAINED CLOSE AND GOOD RELATIONS WITH CENTO ALLY, TURKEY. IN FACT, TURKISH ISOLATION AND INWARD LOOKING SENSE OF NATIONALISM AND PRIDE, PLUS HISTORY OF OTTOMAN AND PERSIAN COMPETITION, CREATED RATHER DISTANT RELATIONSHIP BETWEEN THE TWO NEIGHBORS.

7. ARDALAN SEVERAL TIMES TURNED DISCUSSION TO ISSUES OF "KEY CONCERN TO IRAN." HE DESCRIBED THESE AS THE HORN OF AFRICA AND PRESENT IMPASSE IN NEGOTIATIONS BETWEEN EGYPT AND ISRAEL. HE SPECULATED THAT CONTINUING DETERIORATION OF WESTERN POSITION ON HORN WOULD ULTIMATELY EFFECT SAUDI PERCEPTION OF WEST, LEADING TO RE-EVALUATION WITH SEVERE LONG RUN DAMAGE TO WEST'S ECONOMIC POSITION. HE ALSO FEARED FAILURE SADAT INITIATIVE MUST LEAD TO RADICALIZATION OF GULF AND MID EAST WITH CONSEQUENT DANGERS FOR IRAN AND U.S.

8. AT THIS POINT, NIMETZ STRESSED THAT FOR MOST OF POST-WAR PERIOD TURKEY HAS BEEN THE ONE QUIET, STABLE AND PRO-WESTERN NEIGHBOR FOR IRAN. BOTH AGREED THAT IT WAS IMPORTANT THAT THIS REMAIN THE CASE.

9. COMMENT: WHILE IN ANKARA, NIMETZ HAD INFORMALLY ASKED SENIOR GOT OFFICIALS WHETHER, GIVEN EXTENT OF TURKEY'S PROBLEMS, THEY HAD CONSIDERED THE POSSIBILITY OF SEEKING ADVICE AND COOPERATION FROM POTENTIALLY FRIENDLY REGIONAL POWERS SUCH AS IRAN AND SAUDI ARABIA. DEPARTMENT WOULD APPRECIATE ADDRESSEES' COMMENT ON POSSIBILITIES, IN THIS REGARD. CHRISTOPHER

CONFIDENTIAL

ACTION: ECON5

E2-29 &

R 060547Z MAR 78
FM AMEMBASSY ANKARA
TO SECSTATE WASHDC IMMEDIATE 6998
INFO: AMEMBASSY ATHENS 7243
AMEMBASSY BERN 1697
AMEMBASSY BONN 1501
AMEMBASSY BRUSSELS 3826
AMEMBASSY COPENHAGEN 5607
AMEMBASSY DUBLIN 9572
AMEMBASSY LISBON 1918
AMEMBASSY NICOSIA 5437
AMEMBASSY PARIS 9244
AMEMBASSY TEHRAN 9735
AMEMBASSY TRIPOLI 162
USINT BAGHDAD 138
USMISSION GENEVA 1397
USMISSION USNATO 5663
COMSIXTHFLT
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AMB ✓ DCM ✓ SA ___ POL 2 ECON ___ PM ✓ USIS ✓ CONS ___ OR ✓ ADM ___ GSO ___ RF ___ PER ___ RSO ___ MSG ___ TSO ___ SCRO ___ CRO ___ CEO ___ MP ___ DAO ___ MAAG ___ AGR ___ DEA ___ IRS ___ TOTR ___ FAA ___ TU ___ CRU ___ SHIR 1 TABR ___ ISFA ___

CONFIDENTIAL ANKARA 1657

USEEC, USOECD

DEPARTMENT FOR COUNSELOR NIMETZ

USDOCOSOUTH FOR INTAF

E.O. 11652: GDS
TAGS: EGEN, ENRG, EFIN, PFOR, TU, LY, UR, IZ
SUBJECT: TURKEY SEEKS DEFERRED PAYMENT TERMS ON OIL

REF: A) ANKARA 1570, B) STATE 55739 (NOTAL)

SUMMARY: TURKISH MFA DIRGEN OF BILATERAL ECONO AFFAIRS, SEMIH HAZAR TOLD ECON COUNSELOR THAT TURKEY IS SEEKING TO BUY OIL ON DEFERRED PAYMENT TERMS FROM THE SOVIET UNION AND IRAQ, AND TO BUY ADDITIONAL OIL FROM LIBYA. HAZAR FEELS THAT THE SOVIETS MIGHT SUPPLY OIL TO TURKEY ON CREDIT, AND THAT IRAN WILL NOT. LIBYA CANNOT SUPPLY OIL IN GREATER AMOUNTS, BUT HAS OFFERED TO DISCUSS DEFERRED PAYMENT TERMS FOR OIL, AMONG OTHER ECONOMIC MATTERS. ALTHOUGH AGREEMENT WITH IRAQ ON OIL PAYMENTS IS HANGING FIRE, NEW SOURCES ARE NOT TO REPLACE SUPPLY FROM IRAN, BUT TO SATISFY INCREASING CONSUMPTION. IN SEEKING DEFERRED PAYMENT TERMS ON OIL PURCHASES, TURKS ARE TRYING TO CREATE NEEDED FLEXIBILITY IN DEBT MANAGEMENT. EMBASSY SUGGESTS THAT USG MAY WISH TO TRY TO INFLUENCE IRAN TO OFFER DEFERRED PAYMENT TERMS TO TURKEY FOR OIL. END SUMMARY.

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1. ON MARCH 1, ECON COUNSELOR MET WITH BENIC HAZAR, DIRECTOR GENERAL OF BILATERAL ECONOMIC AFFAIRS IN THE TURKISH MFA, TO DISCUSS ECONOMIC ASPECTS OF LIBYAN PRIMIN JALLOUD'S RECENT VISIT TO ANKARA. HAZAR CONFIRMED INFORMATION REPORTED IN REFTEL. DISCUSSION GRAVITATED TOWARD TURKEY'S OIL IMPORTS IN GENERAL. HAZAR SAID THAT TURKEY IS SEEKING TO BUY OIL FROM THE SOVIET UNION AND IRAN, TO INCREASE ITS ALLOCATION OF OIL FROM LIBYA, AND TO OBTAIN DEFERRED PAYMENT ARRANGEMENTS FROM ALL THREE COUNTRIES AND IRAQ.

2. TO MEET CHRONIC SHORTAGES, GOT HAS BEEN INTERESTED FOR SOME TIME IN IMPORTING OIL FROM THE SOVIET UNION, A GEOGRAPHICALLY CONVENIENT SOURCE. IN TRADE TALKS LAST AUGUST, AND AGAIN IN DECEMBER, THE TURKS ASKED THE USSR TO SELL THEM OIL, AND THE SOVIET UNION PUT THEM OFF. HOWEVER, ACCORDING TO HAZAR, THE USSR SAID IN AUGUST THAT IT MIGHT BE ABLE TO SUPPLY OIL TO TURKEY IN 1978. HAZAR CONFIRMED A REPORT APPEARING MARCH 1 IN MILLIYET, A PRO-GOVERNMENT NEWSPAPER, TO THE EFFECT THAT A SOVIET TRADE TEAM COMING TO ANKARA IN MID-MARCH WILL DISCUSS SELLING OIL TO TURKEY ON CREDIT. HE SAID GOT WOULD SEEK TO BUY OIL ON BARTER BASIS. WHEN WE SUGGESTED THAT THE SOVIET UNION IS RUNNING SHORT OF OIL ITSELF, HAZAR ALLUDED TO A NEWSWEEK ARTICLE THAT REFUTES OUR SUGGESTION, BUT ALSO ADMITTED THAT, ACCORDING TO JALLOUD, THE SOVIETS ARE BUYING 6 MILLION TONS OF OIL ANNUALLY FROM LIBYA.

3. HAZAR TOLD US THAT THE GOT WOULD LIKE TO BUY 1 MILLION TONS OF OIL PER YEAR FROM IRAN. HE INDICATED THAT CONTACT HAD BEEN MADE WITH THE IRANIS ON THE SUBJECT, BUT THAT, IN HIS OPINION, NEGOTIATIONS WILL FOUNDER, AS IN THE PAST, ON TERMS OF PAYMENT--GOT WANTS TO BUY ON CREDIT; THE SHAH HAS CONSISTENTLY DEMANDED CASH.

4. HAZAR WAS PRESENT AT RECENT TALKS BETWEEN JALLOUD AND TURKISH PRIMIN ECEVIT (REFTEL). HE SAID THAT THE TURKISH SIDE ASKED JALLOUD FOR 6 TO 7 MILLION TONS OF OIL PER YEAR IN ADDITION TO THE 3 MILLION TONS CUSTOMARILY SUPPLIED BY LIBYA. THE TURKS HOPED TO STRIKE A BARGAIN AT 3 MILLION ADDITIONAL TONS, BUT JALLOUD TOLD THEM THAT, IN THE FACE OF OTHER COMMITMENTS, LIBYA CANNOT INCREASE TURKEY'S ALLOCATION. JALLOUD DID AGREE TO DISCUSS EXTENDED PAYMENT TERMS FOR OIL PURCHASES, LONG-TERM CREDIT TO TURKEY AND PURCHASE BY LIBYA OF TURKISH AGRICULTURAL GOODS, EVEN IN EXCESS OF LIBYA'S OWN NEEDS. HAZAR SPECULATED THAT LIBYA MIGHT USE TURKISH WHEAT AS "FOREIGN AID". HAZAR EXPECTS PRIMIN ECEVIT TO PUSH THE TURKISH MFA HARD TO REACH AGREEMENT WITH THE LIBYANS AT TECHNICAL LEVEL NEGOTIATIONS LATER THIS MONTH. WHEN ASKED IF NEW ECONOMIC AGREEMENTS WOULD BE SIGNED WHEN, AS FORESEEN IN JALLOUD COMMUNIQUE, ECEVIT VISITS LIBYA, HAZAR SAID THAT HE EXPECTS THEM TO BE SIGNED SOONER THAN THAT.

5. HAZAR ADMITTED THAT NO PROGRESS HAS BEEN MADE ON A NEW AGREEMENT WITH IRAQ FOR EXTENDED OIL PAYMENTS, AND THAT OIL PAYMENT ARREARAGES TO IRAQ NOW EXCEED 300 MILLION DOLLARS. NEVERTHELESS, HE SAID THAT GOT IS NOT SEEKING NEW SOURCES OF OIL IN ORDER TO REPLACE THE SUPPLY FROM IRAQ: NEW SOURCES WILL BE NECESSARY TO MEET ESTIMATED 1978 OIL IMPORT NEEDS OF 17 MILLION TONS, UP FROM 15 MILLION TONS IN 1977.

6. COMMENT: THE ECEVIT GOVERNMENT IS SEEKING DEFERRED PAYMENT OIL PURCHASES TO GAIN FLEXIBILITY IN MANAGING ITS OVERALL DEBT PROBLEMS. TURKEY'S IMMEDIATE FINANCIAL PROBLEM IS $2 - 3 BILLION DOLLARS IN SHORT-TERM DEBT DUE OR OVERDUE IN 1978. UNFORTUNATELY, THE COST OF OBTAINING DEFERRED PAYMENT TERMS ON OIL WILL BE INCREASED DEPENDENCE ON THE SOVIET UNION AND ITS CLIENTS, A MATTER OF GREAT IMPORTANCE TO TURKEY'S WESTERN ALLIES. AN AGREEMENT BETWEEN THE SOVIET UNION AND TURKEY FOR THE PURCHASE OF OIL MAY SEEM FARFETCHED IN SOME RESPECTS: WE KNOW THAT THE SOVIET UNION IS RUNNING SHORT OF OIL TO MEET EXISTING EXPORT COMMITMENTS; AND WE KNOW THAT TURKEY GENUINELY FEARS DOMINATION BY ITS NORTHERN NEIGHBOR. HOWEVER, WE MAY NOT KNOW, UNTIL AFTER THE FACT, TO WHAT EXTENT THE SOVIETS WILL SACRIFICE SCARCE OIL RESOURCES TO MEET POLITICAL OBJECTIVES IN TURKEY.

7. ACTION SUGGESTED: USG MAY WISH TO SUGGEST TO GOVERNMENT OF IRAN THAT IT WOULD BE IN IRAN'S OWN INTEREST TO CONSIDER SUPPLYING OIL TO TURKEY ON DEFERRED-PAYMENT TERMS. THIS WOULD SERVE BOTH TO FORESTALL OR LIMIT THE GROWTH OF SOVIET INFLUENCE IN TURKEY, AND TO EASE TURKEY'S FINANCIAL CRISIS.

8. ABOVE MESSAGE HAD BEEN PREPARED FOR TRANSMISSION BEFORE REF B WAS RECEIVED. EMBASSY WISHES TO RAISE POSSIBILITY OF IRAN PROVIDING OIL TO TURKEY ON DEFERRED-PAYMENTS BASIS IN CONTEXT OF COUNSELOR NIMETZ' CONVERSATION WITH IRANIAN POLITICAL COUNSELOR ARDALAH AND OF DEPARTMENT'S REQUEST FOR COMMENTS, PARA 9, REF B.

SPIERS

TELEGRAM

1978 MAR -7 AM 11:49 E 2-29

INDICATE
☐ COLLECT
☐ CHARGE TO

02332

FROM	CLASSIFICATION
AMEMBASSY TEHRAN	LIMITED OFFICIAL USE

E.O. 11652:
TAGS:
SUBJECT:
ACTION:

ACTION: SECSTATE WASHDC

INFO: AMEMBASSY ANKARA
AMEMBASSY JIDDA
AMEMBASSY TRIPOLI

ECON5
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LIMITED OFFICIAL USE TEHRAN 02332

E.O. 11652:N/A

TAGS: EFIN, EAID, ELTN, IR, TU

SUBJECT: IRANIAN/TURKISH ECONOMIC RELATIONS

REF: A. 76 TEHRAN 12237, B. STATE 55731

SUMMARY. BILATERAL ECONOMIC RELATIONS BETWEEN IRAN AND TURKEY ARE STILL IMPEDED BY THE UNRESOLVED ISSUE OF TURKISH TIR TRANSIT TAXES. EVEN WERE THAT IMPEDIMENT OVERCOME, GOI SOURCES ARE NOT OPTIMISTIC CONCERNING PROSPECTS OF IMPLEMENTING CREDIT ASSISTANCE ENVISAGED IN THE OCTOBER 1975 DOLS 1.2 BILLION PROTOCOL. ANALYSIS CONTAINED IN REF A AND PREVIOUS, I.E., MUTUAL PRIDE AND INTRANSIGENCE BASED ON CULTURAL/HISTORICAL FACTORS, STILL APPLIES. END SUMMARY.

1. THE FIRST AND ONLY MEETING OF THE IRANO-TURKISH JOINT MINISTERIAL COMMISSION FOR ECONOMIC AND TECHNICAL COOPERATION MET IN ANKARA IN OCTOBER 1975. THAT MEETING RESULTED IN THE INITIALING

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ECON:CTaylor:db	3/6/78	1120	CHARGE:JCMiklos

CLEARANCES: E/C:RCRaven

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CLASSIFICATION

OPTIONAL FORM 152(H)
(Formerly FS-413(H))
January 1975
Dept. of State

50152-101

OF THE BILATERAL ECONOMIC PROTOCOL WHICH CONTAINED IRAN'S COMMITMENT OF DOLS 1.2 BILLION IN CREDITS TO TURKEY, ABOUT HALF OF WHICH RELATED TO IMPROVING TURKEY'S TRANSPORTATION FACILITIES. TURKEY'S UNEXPECTED IMPOSITION OF TIR TRANSIT TAXES IN JANUARY 1976 RESULTED IN IRAN'S TRUCKS PAYING THE HIGHER 40 KURUS PER TON/KM TAX SINCE NO BILATERAL TRANSIT AGREEMENT WAS NEGOTIATED. IRAN, WHICH UNDER A PREVIOUS BILATERAL TRANSIT AGREEMENT PAID BUT NINE KURUS PER TON/KM, CONTINUES TO HOLD OUT FOR PREFERENTIAL TREATMENT IT BELIEVES DUE A FRIENDLY NEIGHBOR, MUCH LESS ONE PREPARED TO PROVIDE SIGNIFICANT CREDITS. MEANWHILE, IRANIAN TRANSPORT COMPANIES HAVE EITHER ENTERED INTO PARTNERSHIP WITH FOREIGN FIRMS IN ORDER TO ENJOY THE 25 KURUS RATE ASSIGNED CARRIERS OF COUNTRIES WITH TRANSIT BILATERALS OR ARE PAYING, AS ONE FIRM REPORTED TO EMBASSY, BETWEEN DM 2,600 - 2,700 PER 19/20 TON TRUCK. ADDITIONALLY, ACCORDING TO GOI SOURCES, IRANIANS ARE SUBJECTED TO VARIOUS CHARGES WHICH ARE SEEN AS HARASSMENT, SUCH AS A REJECTION OF PAYMENT IN IRANIAN RIALS AND THE REQUIREMENT THAT IRANIAN TRUCKERS ENTER TURKEY WITH DOLLARS AND PAY TAXES IN US DOLLARS OR OTHER HARD CURRENCY. FURTHER, IT IS ALLEGED THAT TURKEY IS NOT FULFILLING AN AGREEMENT TO MAN THE BORDER CROSSINGS AROUND THE CLOCK, WHEREAS IRAN DOES, RESULTING IN LONG LINES OF TRUCKS WAITING CUSTOMS PROCESSING ON THE TURKISH SIDE.

2. MINISTRY OF ECONOMIC AFFAIRS AND FINANCE DIRECTOR GENERAL IN CHARGE OF INTERNATIONAL AFFAIRS WITH ASIA AND AFRICA, MIRBAHA, DISCUSSED BILATERAL RELATIONS WITH ECONOFF MARCH 6. HE SAID THAT RELATIONS THROUGH THE RCD AND CENTO CONTINUE SMOOTHLY BUT THAT

BILATERAL RELATIONS ARE AT A STANDSTILL, ESSENTIALLY SINCE OCTOBER 1975. HE SEES THE TURKISH AMBASSADOR FREQUENTLY BUT NOTHING OF SUBSTANCE HAS OCCURRED TO MOVE THE BASIC TRANSIT IMPASSE OVER THE LAST TWO YEARS. HE MAINTAINS THAT THE MAJOR ISSUE IMPEDING ECONOMIC COOPERATION, THAT OF THE TRANSIT TAX, IS NOT APPROACHED BY THE GOI FROM THE FINANCIAL POINT, BUT RATHER SEEN AS A MEASUREMENT OF THE GOT'S SPIRIT IN ITS RELATIONS WITH IRAN. THE GOI IS ON RECORD WITH THE GOT AS READY TO CONVENE ANOTHER MINISTERIAL MEETING TO TRY AND RESOLVE THE IMPASSE, BUT THE TURKISH AMBASSADOR DEMURS, REFERRING TO THE UNSUCCESSFUL VISIT TO TEHRAN OF THE MINISTERS OF TRANSPORT AND FINANCE IN NOVEMBER 1976 (REPORTED IN REF A). MIRBAHA SAID IT IS THE GOI'S BELIEF THAT THOSE TWO MINISTERS HAVE THE AUTHORITY TO REDUCE THE TAX OR EVEN TO EXEMPT A COUNTRY FROM IT. IN ANY EVENT, NO DISCUSSIONS ARE SCHEDULED ON THIS ISSUE AND MIRBAHA IS DOUBTFUL OF ANY IMMINENT PROGRESS ON THIS ISSUE, A PREREQUISITE TO PROGRESS ON OTHER ECONOMIC ISSUES.

3. MIRBAHA LISTED TWO OTHER INTER RELATED ISSUES WHICH MUST BE RESOLVED BEFORE THE CREDITS IDENTIFIED IN THE PROTOCOL COULD BE DISBURSED: 1) THE GOI INSISTS THAT TURKEY SUBMIT FEASIBILITY STUDIES FOR EACH PROJECT IDENTIFIED IN THE PROTOCOL; THE GOT ALLEGEDLY RESISTS THIS; AND 2) THE GOI WILL THEN DISBURSE ON THE BASIS OF PROJECT PROGRESS REPORTS, NOT, AS THE GOT DESIRES, GENERAL DRAWDOWNS AGAINST THE DOLS 1.2 BILLION CREDIT.

4. MIRBAHA SAID THAT THE GOI FULLY APPRECIATES TURKEY'S

ECONOMIC SITUATION AND IS WILLING TO FULFILL ITS ECONOMIC PROTOCOL WHEN THE GOT ACTS IN GOOD SPIRIT. IT IS, WITH SOME JUSTIFICATION, SUSPICIOUS THAT THE GOT WANTS TO DRAW AGAINST THE PROPOSED CREDITS FOR BALANCE OF PAYMENTS NEEDS, NOT TO ADVANCE THE PROJECTS IDENTIFIED. MIRBAHA SAID THAT IRAN HAS TOLD TURKEY, "IF YOU WANT BALANCE OF PAYMENTS ASSISTANCE, E.G., SAY A LOAN OF DOLS 100 TO 200 MILLION), XXXX SAY SO." THIS IS NOT TO SAY THAT THE GOI IS THAT READY TO LEND; RATHER IT WANTS THE GOT TO SPECIFY ITS BORROWING PURPOSES AND, NOT INCIDENTALLY, ASSUME A BIT THE SUPPLICANT'S POSITION.

5. COMMENTS ON SPECIFIC POINTS RAISED IN ANKARA 1657 WILL BE ADDRESSED IN A SEPARATE MESSAGE.

MIKLOS

TELEGRAM

1978 MAR -9 PM 1:54

INDICATE
COLLECT
CHARGE TO

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FROM: AMEMBASSY TEHRAN
CLASSIFICATION: CONFIDENTIAL

E.O. 11652:
TAGS:
SUBJECT:

ACTION:

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ACTION: SECSTATE WASHDC IMMEDIATE

E 2-29

INFO: AMEMBASSY ANKARA
AMEMBASSY ATHENS
[redacted]
USCINCEUR

CONFIDENTIAL TEHRAN 02454

E.O. 11652: GDS

TAGS: EFIN, EAID, ELTN, IR, TU

SUBJECT: TURKISH-IRANIAN RELATIONS: DEFERRED-PAYMENT IRANIAN OIL FOR TURKEY

REF: (A) ANKARA 1722, (B) TEHRAN 2332, (C) ANKARA 1657, (D) STATE 055731

XX SUMMARY: WE THINK THE IDEA OF IRAN PROVIDING OIL TO TURKEY ON CONCESSIONARY OR DEFERRED PAYMENT TERMS IS A NON-STARTER FOR THE TIME BEING. THERE ARE A VARIETY OF REASONS FOR REACHING THIS CONCLUSION, A NUMBER OF WHICH ARE NOTED IN ANKARA'S 1722 AND ANKARA/1657, AS WELL AS IN TEHRAN 02332. AT BASE IRAN DOES UNDERSTAND AND APPRECIATE THAT IT IS IN ITS INTERESTS TO HAVE BETTER RELATIONS WITH TURKEY AND IT IS DOUBTLESS THIS FUNDAMENTAL BELIEF WHICH HAS PROMPTED

DRAFTED BY: ECON:RCBrewin/CHARGE:JCMiklos
DRAFTING DATE: 3/9/78
TEL. EXT.: 1120
CONTENTS AND CLASSIFICATION APPROVED BY: CHARGE:JCMiklos
CLEARANCES: db/sw

CONFIDENTIAL
CLASSIFICATION

OPTIONAL FORM 152(
(Formerly FS 413(
January 1
Dept. of St

50152 101

THE SHAH TO INSTRUCT HIS AMBASSADOR IN ANKARA TO MAKE NEW EFFORTS TO IMPROVE BILATERAL RELATIONS. WE DO NOT THINK, HOWEVER, THAT THE SHAH IS VERY OPTIMISTIC ABOUT THE OUTCOME, AT LEAST IN THE SHORT TERM. IRAN SEES TURKEY'S PROBLEM TO BE FAR MORE FUNDAMENTAL AND COMPLEX THAN ONE THAT COULD BE SIGNIFICANTLY AMELIORATED BY LIBERAL ECONOMIC ASSISTANCE OF ONE FORM OR ANOTHER. IT IS PARTICULARLY CONCERNED ABOUT THE DISARRAY ITS PERCEIVES IN THE TURKISH POLITICAL SCENE AND THE VIOLENCE AND TURBULENCE POLITICAL INDISCIPLINE HAS BROUGHT IN ITS WAKE. IT PROBABLY HAS A REALISTIC APPRECIATION OF WHAT CONSTRAINTS ANY TURKISH LEADER IS UNDER IN RESPONDING TO IRANIAN OVERTURES, AND YET IT PROBABLY EXPECTS TURKISH CONCESSIONS AS THE SINE QUA NON OF IRANIAN ASSISTANCE. WE DO NOT THINK THAT OUR INTERVENTION IN THE QUESTION OF IRANIAN OIL TO TURKEY WOULD BEAR FRUIT OR SIGNIFICANTLY ALTER PERCEPTIONS HELD BY EACH SIDE OF THE OTHER. END SUMMARY.

0152-201

OPTIONAL FORM 152a(H)
(Formerly FS-413(H)a)
January 1975
Dept. of State

I. WHILE EMBASSY IS, OF COURSE, MUCH ENCOURAGED BY EFFORTS OF IRANIAN DIPLOMATS IN ANKARA TO IMPROVE STATE ~~OF~~ OF RELATIONS BETWEEN TURKEY AND IRAN, AND CONCEDING THAT FRIENDLY AND IMPARTIAL GOOD OFFICES BY US HERE MIGHT CONCEIVABLY CONTRIBUTE A BIT TO THE DESIRED IMPROVEMENT, WE DOUBT VERY MUCH THAT OUR INTERCESSION WITH THE GOI HERE TO GET EXTENDED CREDIT FOR TURKISH PURCHASES OF IRANIAN CRUDE (AND OUR INTERVENTION WOULD HAVE TO BE AT THE TOP OR CLOSE TO IT) WOULD BEAR FRUIT. FACT IS THAT DISCOUNTS FROM OPEC PRICE OF OIL AND DEFERRED PAYMENT ARRANGEMENTS FOR BUYERS RANGE RIGHT ~~RIGHT~~ BEHIND OIL PRICE POLICY ITSELF IN TERMS OF IRANIAN SENSITIVITIES AND TOUCHINESS. IRANIANS HAVE BEEN EXTREMELY LOATH TO GRANT MEDIUM OR LONG TERM CREDIT TO OIL BUYERS (EXCLUDING SMALL DISCOUNTS IN SOME SPOT TRANSACTIONS AS MARKET CONDITIONS MAY WARRANT) EXCEPT IN VERY UNUSUAL CIRCUMSTANCES, E.G., GRAVE BALANCE OF PAYMENTS PROBLEMS THREATENING THE STABILITY OF A FRIENDLY NEIGHBOR. IRANIANS ARE SECRETIVE ABOUT WHICH COUNTRIES GET DEFERRED PAYMENT TERMS ON NIOC DIRECT SALES AND AS FAR AS WE KNOW ONLY FOUR COUNTRIES (AND POSSIBLY SUDAN) ARE BENEFICIARIES OF SUCH TERMS: INDIA, SRI LANKA, PAKISTAN, AND BANGLADESH. ONLY FIRM DETAILS WHICH WE HAVE ARE FOR INDIA, I.E., ONE-THIRD CASH PAYMENT ON DELIVERY AND TWO-THIRDS BALANCE PAYABLE OVER FIVE OR SIX YEARS AT CONCESSIONAL INTEREST RATE. EVEN IF GOI COULD BE PERSUADED TO VIEW TURKEY IN SAME LIGHT AS IT DOES INDIA AND BANGLADESH, ~~[redacted]~~ TURKISH ATTITUDES ON TIR TRANSIT TAX AND IMPLEMENTATION

OF DOLS 1.2 BILLION 1975 CREDIT, AS IRANIANS SEE IT, AND DISCUSSED REFTEL B, WOULD PRODUCE THE INEVITABLE MYOPIA IN THE IRANIAN EYE WHEN THE BOTTOM LINE IS REACHED. ~~[redacted]~~ PROBLEM IS COMPOUNDED BY FACT THAT SLIPPAGE IN VALUE OF DOLLAR IS SEEN BY THE SHAH TO HAVE CAUSED 20 PERCENT DECLINE IN IRAN'S PURCHASING POWER. WE DO NOT SAY THAT THIS DYSPEPTIC VIEW OF TURKEY HELD HERE IS BY ANY MEANS WHOLLY JUSTIFIED ON THE BASIS OF AN OBJECTIVE READING OF THE FACTS, BUT MERELY STATE THE REALITY AS WE SEE IT.

2. A FEW IRANIANS WILL SAY PRIVATELY THAT THERE IS MERIT IN THE TURKISH VIEW THAT THOSE WHO USE TURKISH HIGHWAYS OUGHT TO BE THE ONES WHO SHOULD PAY FOR THEIR REHABILITATION. OFFICIALLY, HOWEVER, AND FOR THE RECORD AND AS INTEGRAL PART OF GOI'S NEGOTIATING POSTURE WITH TURKEY ON THE TRANSIT TAX MATTER, IRAN HAS HELD AND WILL CONTINUE TO HOLD THAT IT IS ENTITLED TO PREFERENTIAL TREATMENT. THE PSYCHOLOGICAL AND HISTORICAL FACTORS DISCUSSED IN REF A HAVE UNDOUBTEDLY PLAYED A MAJOR PART IN MOLDING THE TURKISH VIEW OF IRAN AT THIS POINT IN TIME. TOO, THE LIKELIHOOD OF OCCASIONAL DISPLAYS OF OVERWEENING BEHAVIOR BY IRANIAN NEGOTIATORS IN DEALING WITH THE TURKS OVER THE LAST FEW YEARS HAVE PROBABLY FORTIFIED TURKEY IN ITS BELIEF THAT IRAN WOULD LIKE TO KEEP TURKEY IN THE ROLE OF A POOR AND DISTANT COUSIN. WE THINK THIS IS AN EXAGGERATED VIEW, HOWEVER, ~~[redacted]~~

3. MORE CENTRAL, WE BELIEVE, IS IRAN'S PERCEPTION OF WHAT TURKEY CAN DO FOR ITSELF AND ITS ABILITY TO PLAY A STRONG PARTNERSHIP ROLE. WHILE WE DO NOT HAVE ANY AUTHORITATIVE UP-TO-DATE READING ON IRAN'S OPINION OF THE ECEVIT GOVERNMENT AND ITS PROSPECTS, THERE IS NO DOUBT THAT IT HAS VIEWED THE TURBULENCE IN TURKEY'S RECENT POLITICAL LIFE WITH DISMAY AND DISTRESS. WE BELIEVE THAT IT HAS HOPED SINCERELY FOR TURKISH LEADERSHIP WHICH CAN BRING ORDER OUT OF CHAOS AND DEAL DECISIVELY AND FIRMLY WITH TURKEY'S MULTIPLE SOCIAL, POLITICAL, AND ECONOMIC PROBLEMS. THIS IS THE KIND OF LEADERSHIP IRAN THINKS IT CAN DO BUSINESS WITH, AS EVIDENCED BY ITS GENEROUS ASSISTANCE TO BANGLADESH, INDIA, AND EGYPT. IT IS THE KIND OF LEADERSHIP THAT IRAN WOULD EXPECT ABLE TO MAKE TOUGH DECISIONS WHICH WOULD REFLECT MORE REALISTICALLY IRAN AND TURKEY'S RELATIVE POSITIONS IN THE REAL WORLD. IT IS NOT CLEAR WHETHER IRAN BELIEVES THIS LEADERSHIP HAS YET EMERGED IN TURKEY. IN OUR VIEW CONSIDERABLY MORE SPADE WORK ON THE TURKISH SIDE WILL BE REQUIRED BEFORE A SIGNIFICANT CHANGE IN IRAN'S PERCEPTIONS OCCUR. THIS REQUIRES NOT ONLY CONCRETE EXEX EVIDENCE THAT TURKEY IS WILLING AND ABLE TO PUT ITS HOUSE IN ORDER, BUT ALSO AN ATTITUDIAL CHANGE, WHICH ACKNOWLEDGES A MORE EXEX POWERFUL AND INFLUENTIAL IRAN THAN TURKEY MAY CARE

TO ADMIT. GIVEN THE ENCUMBERANCES OF THE PAST THIS MAY BE A LONG TIME IN COMING.

4. FINALLY, IN IRAN'S VIEW THE US IS NOT WITHOUT BLAME FOR TURKEY'S PLIGHT. THIS SPECIFICALLY FOCUSES ON CONGRESSIONAL ATTITUDES TOWARD MILITARY COOPERATION WITH TURKEY AND IRANIAN BELIEF THAT THIS IS A SELF-INFLICTED WOUND. IT FINDS IT/XXXX IT DIFFICULT TO RECONCILE OR OUR PROFESSION OF INTEREST IN A STRONG, CONFIDENT TURKEY WITH OUR INABILITY OR UNWILLINGNESS TO BACK TURKEY IN WHAT IT BELIEVES TO BE ITS VITAL INTERESTS. THUS, FOR THE US TO BECOME THE BROKER IN AN ENDEAVOR AIMED AT EASING TURKEY'S FINANCIAL PROBLEM IS MORE LIKELY TO BEMUSE THAN PERSUADE WE FEAR.

MIKLOS

ACTION: ECON 5

AmEmbassy TEHRAN
INCOMING TELEGRAM

E-29 3874
CONTROL NO.

INFO:
AMB 1
DCM 1
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POL 2
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LIMITED OFFICIAL USE

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P R 140147Z MAR 78
FM SECSTATE WASHDC
TO RUQMGU/AMEMBASSY ANKARA PRIORITY 3362
INFO RUQMHR/AMEMBASSY TEHRAN 3116
RUQMAT/AMEMBASSY ATHENS 5485
BT

LIMITED OFFICIAL USE STATE 064470

E.O. 11652: N/A

TAGS: ENRG, TU

SUBJECT:DEFERRED PAYMENT TERMS FOR OIL

REF: (A) ANKARA 1657, (B) STATE 55731, (C) TEHRAN 2332, (D) TEHRAN 2454

WE INTEND TO CONTINUE TAKING SUITABLE OCCASIONS TO SUGGEST TO APPROPRIATE COUNTRIES INCLUDING FRIENDLY REGIONAL POWERS, SUCH AS IRAN, THAT IT WOULD BE IN THEIR OWN INTEREST TO BE SYMPATHETIC TO TURKISH PROBLEMS (REF D). HOWEVER WE DO NOT INTEND INVOLVE OURSELVES IN TURKEY'S BILATERAL RELATIONS TO EXTENT OF URGING SPECIFIC ACTIONS, PARTICULARLY IN CASES WHERE FAVORABLE RESPONSE IS MOST UNLIKELY, AND WHERE USG WOULD BE UNABLE AND WOULD NOT WISH TO OFFER SIMILAR BENEFIT ON US EXPORTS. THUS, WE DO NOT INTEND TO RAISE WITH GOVERNMENT OF IRAN POSSIBLE SUPPLY OF OIL TO TURKEY ON DEFERRED PAYMENT TERMS. VANCE

LIMITED OFFICIAL USE

ACTION: POL 3

AmEmbassy TEHRAN
INCOMING TELEGRAM

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FM AMEMBASSY JIDDA
TO RUEHC/SECSTATE WASHDC 1491
INFO RUQMHR/AMEMBASSY TEHRAN 2458
RUQMGU/AMEMBASSY ANKARA 428
RUQMTI/AMEMBASSY TRIPOLI 936
RUQMAT/AMEMBASSY ATHENS 1208
RUFHBS/AMEMBASSY BRUSSELS 415
RUDTC/AMEMBASSY LONDON 3833
RUFHOL/AMEMBASSY BONN 553
BT
C O N F I D E N T I A L JIDDA 2203

BURSSELS FOR USSEC

E.O. 11652: GDS
TAGS: PEPR, TU, IR, US, LV, EFIN
SUBJECT: TURKISH/IRANIAN RELATIONS

REF: STATE 55731

WE BELIVVE SAUDIS WOULD BE SYMPATHETIC LISTENERS TO GOT SFFORT TO DESCIRBE TURKISH ECONOMIC PLIGHT. HOWEVER, SAUDIS, WHO ARE SURROUNDED BY ARAB NEIGHBORS IN DIFFICULT BALANCE OF PAYMENT SITUATIONS, ARE RELUCTANT CONTRIBUTORS TO ANY MAJOR BALANCE OF PAYMENTS SUPPORT PROGRAM EVEN TO COUNTRIES SUCH AS EGYPT. THEY PREFER PROJECT AID THROUGH SAUDI FUND FOR DEVELOPMENT OR OTHER MULTILATERAL WINDOWS SUCH AS ISLAMIC DEVELOPMENT BANK, ARAB FUND, OR OPEC FUND. ADDING THESE FACTORS TO A COOLNESS WHICH THE SAG UNDOUBTEDLY FEELS TOWARD A GOVERNMENT OF ECEVIT'S POLITICAL STRIPE, WE BELIEVE THAT THE PROSPECTS FOR MAJOR SAUDI AID WOULD BE LIMITED, THOUGH SMALL PROJECT LOANS--EITHER DIRECT OR MULTILATERAL--MIGHT GAIN SAG SUPPROT.
WILEY
BT
2203

AmEmbassy TEHRAN

ACTION: INCOMING TELEGRAM CONTROL NO. 5069

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Econ

R 040139Z APR 78
FM SECSTATE WASHDC
TO RUQMGI/AMEMBASSY ANKARA 3703
INFO RUEHOL/AMEMBASSY BONN 1389
RUFNPS/AMEMBASSY PARIS 8221
RUQMHR/AMEMBASSY TEHRAN 3578
RUQMRA/AMEMBASSY JIDDA 2523
RUDTC/AMEMBASSY LONDON 1969
RUFHR/AMEMBASSY ROME 5654
RUDKFD/AMEMBASSY LISBON 9915
RUEHKO/AMEMBASSY TOKYO
N 4454
BT

INFO: AMB 1 DCM 1 SA SA POL 2 ECON 1 PM 1 USIS 1 CONS OR 1 ADM GSO BF PER HU RSO MSG TSO SCRO CRO TCU MP DAO MAAG AGR DEA IRS TCTR CEOC CEOR CRU 1 SHIA 1 TABR ISFA

C O N F I D E N T I A L SECTION 1 OF 2 STATE 085814/1

E.O. 11652: GDS

TAGS: EFIN, TU

SUBJECT: MEETING BETWEEN TURKISH FINANCE MINISTER AND TREASURY SECRETARY

1. SECRETARY BLUMENTHAL MET WITH FINANCE MINISTER MUEZZINOGLU ON THURSDAY, MARCH 23. ALSO ATTENDING ON THE TURKISH SIDE WERE VURAL GUCSAVAS; SECRETARY GENERAL OF THE TREASURY, AND AMBASSADOR ESENBEL. PARTICIPATING ON THE U.S. SIDE WERE ASSISTANT SECRETARY BERGSTEN AND RICHARD FISHER, SPECIAL ASSISTANT TO THE SECRETARY.

2. THE FINANCE MINISTER BEGAN BY SAYING THAT HE WOULD BE SIGNING A LETTER OF INTENT WITH THE IMF THAT AFTERNOON. HE THEN DESCRIBED THE ECONOMIC PROBLEMS CONFRONTING TURKEY AND THE MEASURES THE GOVERNMENT HAD UNDERTAKEN TO DEAL WITH THEM. HE SAID THAT THE STANDBY PROGRAM WOULD BE FOR TWO YEARS AND WOULD INVOLVE SDR 300 MILLION (APPROXIMATELY 360 MILLION DOLS) IN ADDITION, TURKEY WOULD RECEIVE AN UNSPECIFIED AMOUNT UNDER THE COMPENSATORY FINANCE FACILITY, WITH THE WITTEVEEN FACILITY A LATER POSSIBILITY. ASSISTANT SECRETARY BERGSTEN NOTED THAT IT WOULD BE PERHAPS THREE MONTHS BEFORE THE WITTEVEEN FACILITY WOULD BE IN PLACE, WHICH SEEMED TO COME AS A SURPRISE TO THE MINISTER.

3. SECRETARY BLUMENTHAL THEN ASKED THE FINANCE MINISTER IF HE THOUGHT THESE MEASURES WERE SUFFICIENT TO TURN THE SITUATION AROUND. THE FINANCE MINISTER REPLIED THAT HE HOPED SO BUT THAT HE WOULD LIKE TO EXPLORE POSSIBILITIES FOR U.S. GOVERNMENT SUPPORT. HE THEN MENTIONED A "PORTUGAL TYPE" OPERATION FOR TURKEY. HE SAID HE KNEW THAT THE ADMINISTRATION WOULD NEED TO GO TO CONGRESS ON THIS AND THIS WOULD POSE PROBLEMS. NONETHELESS, HE ASKED IF AN EFFORT LIKE THIS COULD BE MOUNTED, WHEN "THE TIME IS RIPE" HE NOTED THAT TURKEY WOULD NEED ASSISTANCE NOT JUST THIS YEAR, BUT NEXT YEAR AS WELL. HE THEN MADE A VAGUE REQUEST FOR A TREASURY "GREEN LIGHT" TO PRIVATE BANKS TO ENCOURAGE THEM TO LEND TO TURKEY.

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4. SECRETARY BLUMENTHAL RESPONDED THAT PRIVATE BANKS MAKE THEIR OWN DECISIONS ON THESE MATTERS. THE U.S. GOVERNMENT CANNOT ORDER THEM TO INVEST THEIR FUNDS IN ANY PARTICULAR WAY. BY THE SAME TOKEN, THE GOVERNMENT CANNOT PROHIBIT THEM FROM MAKING INVESTMENTS IN ANY PARTICULAR WAY. IF ASKED BY PRIVATE BANKS WE CAN GIVE OUR VIEWS OF THE SITUATION AND THE FACT THAT TURKEY HAS AGREED TO A STANDBY WITH THE FUND WOULD BE SEEN BY THE BANKS AS VERY SIGNIFICANT. ON THE QUESTION OF AID, THE SECRETARY SAID THAT CONGRESSIONAL ATTENTION WAS FOCUSED ON THE WITTEVEEN FACILITY AND THE IFI APPROPRIATIONS. GIVEN THE CONGRESSIONAL MOOD TOWARD AID IN GENERAL, HE DID NOT THINK THAT THE CHANCES FOR AN ESF CREDIT OR BILATERAL ASSISTANCE, BOTH OF WHICH WOULD REQUIRE CONGRESSIONAL ACQUIESCENCE, WERE VERY GOOD.

5. ASSISTANT SECRETARY BERGSTEN REVIEWED BRIEFLY THE MULTILATERAL EFFORT FOR PORTUGAL, CALLING IT "VERY UNUSUAL" AND NOTING THAT THE ESF CREDIT WAS TO COVER A VERY SHORT-TERM BALANCE OF PAYMENTS PROBLEM. SECRETARY BLUMENTHAL EMPHASIZED AGAIN THAT EITHER AN ESF CREDIT OR BILATERAL AID WOULD HAVE TO BE ACCEPTABLE TO CONGRESS AND THIS WOULD BE VERY DIFFICULT.

6. THE FINANCE MINISTER NOTED THAT THERE WERE IMPORTANT POLITICAL REASONS FOR MOUNTING A "PORTUGAL-TYPE" OPERATION IN TURKEY, TOO. HE THEN ASKED IF THE U.S. GOVERNMENT COULD MAKE AN ANNOUNCEMENT THAT THERE IS NO "ECONOMIC EMBARGO" AGAINST TURKEY. SECRETARY BLUMENTHAL ASSURED THE FINANCE MINISTER THAT THERE WAS NO SUCH EMBARGO BUT THOUGHT THAT A PUBLIC ANNOUNCEMENT TO THAT EFFECT FOR NO APPARENT REASON MIGHT CAUSE PEOPLE TO THINK THAT THERE WAS ONE. HE SAID THAT WE WOULD SEE WHETHER WE COULD FIND AN APPROPRIATE OPPORTUNITY TO MAKE SUCH AN ANNOUNCEMENT.

7. THE FINANCE MINISTER THEN ASKED FOR U.S. GOVERNMENT SUPPORT FOR TURKEY IN INTERNATIONAL INSTITUTIONS, ALTHOUGH HE MENTIONED NO SPECIFIC PROBLEMS. SECRETARY BLUMENTHAL SAID THAT WHILE WE WOULD NECESSARILY REVIEW IBRD LOANS TO TURKEY IN TERMS OF THEIR INHERENT SOUNDNESS AND COULD NOT THEREFORE GIVE TURKEY A "BLANK CHECK", WE WOULD BE AS HELPFUL AS POSSIBLE.

8. THE FINANCE MINISTER THEN RAISED THE SUBJECT OF THE OECD CONSORTIUM. SECRETARY BLUMENTHAL SAID THAT WE WOULD PARTICIPATE IN A MEETING BUT THAT IT WAS HIS IMPRESSION THAT THE CONSORTIUM WAS NOT VERY ACTIVE. THE FINANCE MINISTER SAID THAT THIS WAS TRUE BUT THAT THE TURKISH GOVERNMENT HOPED TO USE THE CONSORTIUM TO GET NEW PROJECT FINANCING AND RESCHEDULE THEIR OFFICIAL DEBTS. ASSISTANT SECRETARY BERGSTEN SAID THAT WE HAD REVIEWED CAREFULLY WITH OFFICIALS OF OTHER COUNTRIES HOW TO DEVELOP AN

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EFFECTIVE MULTILATERAL MECHANISM FOR TURKEY. IN OUR VIEW, THE PRECISE FORM OF THE MECHANISM WAS NOT SO IMPORTANT AS LONG AS THE MECHANISM WAS EFFECTIVE. THE FINANCE MINISTER SAID THAT THE TURKISH GOVERNMENT WAS NOT AGAINST INCLUDING A LARGER NUMBER OF COUNTRIES IN A MULTILATERAL MEETING BUT FEARED THAT THIS WOULD TAKE TOO MUCH TIME. BERGSTEN REPLIED THAT WE SHOULD BE ABLE TO WORK THIS OUT.

9. SECRETARY BLUMENTHAL SAID THAT HE THOUGHT THAT PRIVATE BANKS WOULD BE PLEASED TO HEAR OF THE STANDBY ARRANGEMENT AND THAT HE HOPED THEYSWOULD BE SYMPATHETIC. THE FINANCE MINISTER SAID THAT HE THOUGHT HIS TALK TODAY WITH THE SECRETARY AND THE SECRETARY'S SUPPORT FOR THE TURKISH GOVERNMENT'S ECONOMIC PROGRAM WOULD BE HELPFUL IN THIS REGARD. VANCE
BT

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SECRET E 2-29

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BUREAU OF
INTELLIGENCE
AND RESEARCH

ECONOMIC COSTS OF THE TURKISH PRESENCE IN CYPRUS

Turkey pays a variety of economic costs in upholding its present position in Cyprus. Some are direct and, at least potentially, quantifiable; others are indirect and practically impossible to quantify. In weighing policy choices, however, Ankara considers national honor and military factors as well as economic costs and benefits.

Primary among the direct costs are:

--foreign aid to the "Turkish Federated State of Cyprus" (the "TFSC");

--the additional expense of maintaining Turkish military forces in Cyprus; and

--the costs of civilian personnel supplied by Turkey.

Of these three factors, only the first is known with any precision. Aid to the TFSC, which was proclaimed in February 1975, appears to have averaged around $45 million annually, though current economic difficulties in Turkey probably have reduced this amount somewhat.

For the purpose of calculating additional military expenses, it seems reasonable to assume that it costs the Turks about 15 percent more to maintain their military force in Cyprus than it would to keep up similar units on the mainland. The ratio suggests that the Turks probably do not spend more than an average $1,000 extra per year for every soldier that they have in Cyprus. This calculation would indicate that the additional cost of the Turkish military force in Cyprus totals some $30 million a year.

SECRET/XGDS-2

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AND METHODS INVOLVED

Report No. 958
April 11, 1978

Finally, from the sketchy information available, it would appear that the Turks do not spend more than $5 million per annum for their civilian personnel costs in Cyprus.

These three categories of expense indicate a grand total of perhaps as much as $80 million per annum. In any case, direct costs are considerably over $50 million, but less than $100 million, a year.

Direct Costs

Turkish Foreign Aid.* The Government of Turkey contributes both Turkish lira (TL) budgetary support and hard currency foreign exchange to the TFSC. According to figures published by the Turkish Cypriots, Ankara's contribution has been TL 470 million ($32.5 million) in 1975, TL 459 million ($28.6 million) in 1976, and TL 451 million ($25.1 million) in 1977. These official figures probably understate the actual amounts; it seems more likely that Turkish lira budgetary support amounts to about $40 million annually. In addition, in 1975-76 Ankara provided the TFSC with $15 million in hard currency, badly needed by the Turkish Cypriots because of an unfavorable trade balance and a lack of hard currency from other sources.

As a result of its financial difficulties, the Turkish Government may not have been able during the past year to maintain its aid commitments to the TFSC. In late December, a clandestine source reported that of the TL 451 million promised to the Turkish Cypriots in 1977, only TL 170 million ($9.4 million) had actually been supplied up to that time.

Additional Cost of Maintaining Turkish Military Forces in Cyprus. Turkey has approximately 30,000 military personnel in Cyprus. The costs of maintaining this force are in the areas of personnel, logistics, and combat readiness. Based on these factors, it seems reasonable to assume that the additional cost of keeping the Turkish force in Cyprus is approximately 15 percent over the cost of stationing a similar force on the mainland. This rough estimate is derived from the following considerations, since precise

* Turkish lira figures are converted at current exchange rates as published by the International Monetary Fund.

data are not available on the cost of a comparable mainland force:

Because the Turkish armed forces suffer from a manpower surplus generated by Turkey's program of universal military conscription, the 30,000-man Turkish force almost certainly represents manpower which would be enlisted in any event and is not specially raised for Cyprus. Because 90 percent of these men are conscripts (whose base pay is $1 a month), personnel costs remain low. Only officers and NCO's receive an extra allowance for Cyprus duty, on a sliding scale ranging from $8 to $16 a month.

Logistics costs are relatively large because all of the troops and practically all of their supplies must be shipped to Cyprus from the mainland. In addition, to maintain 30,000 troops at combat readiness is also more costly than to keep them merely in a training or normal readiness mode.

Civilian Personnel Supplied by Turkey. Turkey has supplied the TFSC with a variety of civilian advisers, administrators, and technical experts who have stayed in Cyprus for lengths of time varying from a few days to several years. There are no hard data available on the number of such personnel, although several hundred or perhaps even a few thousand individuals probably have been involved since 1974. Some of these were undoubtedly Turkish civil servants; others were hired for the TFSC as consultants but paid by Ankara. Among these groups were probably some Turkish Cypriots who had lived on the mainland and took the opportunity to return home.

Indirect Costs

Probably of greater economic impact than the direct costs listed above are the indirect costs of Turkish involvement in Cyprus. These include:

--foreign investments, workers' remittances, and tourist revenues lost since 1974 because of the continuing political uncertainties arising from Turkey's Cyprus involvement;

--costs entailed by the US arms embargo; and

--the time and energy which the Cyprus problem and its foreign affairs repercussions have diverted from other pressing foreign and domestic issues.

The Turks, however, do not look at their involvement in Cyprus primarily in terms of a comparison of costs and benefits. For the Turks, Cyprus has been a matter of national honor and commitment. When they intervened in Cyprus in 1974, they did so out of concern for their Turkish Cypriot cousins, out of a resolve not to back down in the face of perceived Greek provocation, and out of a fear of Greek encirclement. Even after Turkey had secured the safety of the Turkish Cypriots and had prevented a possible Greek mainland takeover of Cyprus, Turkish honor remained deeply involved: these gains had been won with Turkish blood, and Cyprus had the potential to become in short order a major issue in the political contest inside Turkey.

Prepared by Stephen R. Snow
x27058

EXEMPT FROM DECLASSIFICATION SCHEDULE E.O. 11652: 5B-2 (Classified by M. Packman)

Approved by George S. Harris
x29214

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GDS

MEMORANDUM OF CONVERSATION

Amembassy TEHRAN

Place: Residence of the Canadian Ambassador, at dinner

Date: April 30, 1978

Participants: H.E. M. Rahmi Gumrukcuoglu, Ambassador of Turkey to Iran
Clyde D. Taylor, First Secretary

Subject: Turkish-Iran Dispute Over Turkish Road Tax and Turkish Plans for New Embassy in Tehran

Distribution:

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Turkish/Iran Dispute Over Turkish Road Tax

Upon being queried concerning the real reasons for the impasse between the two countries concerning the tax over Turkish roads, the Ambassador said that he had virtually given up on any formal solution. By way of background, he said that he negotiated the first agreement with Iran in 1963 for transit across Turkey, an agreement which provided unequalled benefits to Iran relative to other countries. Over the course of years he had negotiated 22 road protocols and thus felt very much at home with that subject. He said that Turkey could be considered somewhat like a Panama in that it had as a natural asset its position as a link to Europe

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and yet those countries of the Persian Gulf as well as Iraq and Iran wanted to exploit that transport facility without compensating Turkey for the cost it faces in both real and human factors -- the thousands of accidents that occur, heavy traffic, repairs on the road, and the extraordinarily high cost now of such items as asphalt.

He said that while he does not leave his own government blameless in the area of tactics in the introduction of the road tax decree of January 1976, he feels that the Turkish government has bent backwards to try and work out an arrangement with Iran. He said that he committed the extraordinary courtesy of submitting under diplomatic note to the GOI drafts of an exchange of road protocols as soon as the new decree was announced. All Iran would have had to have done was to formalize these drafts and it could have enjoyed the lower, preferential tax on the roads. He said that I was correct in understanding that Iran wanted a much greater preference than the only one that was offered to countries by the Government of Turkey. He said that he had heard from Minister Houshang Ansary as well as other senior GOI officials the numerous threats concerning alternate routes to Iran from Europe and to all he had replied, graciously he said, that Turkey was not looking for this business and that if they wish to take truck transport via Bulgaria or by sea to Iraq and overland, that was their choice. In point of fact, he just received the last year's figures of tonnage that had crossed Turkey coming through Iran and it was up by 50% at 1½ million tons over the year before; thus, the allegations that large amounts had been diverted to other routes does not seem to be substantiated. In actuality, however, the Ambassador said that most of Iran's goods, perhaps 95-97%, were coming on trucks licensed by countries which have a protocol with Turkey and thus enjoy a lower 25 kurus per kilometer ton tax.

The solution that he has worked for and now feels certain will become a reality is one that derives no benefit from nor has any relation with Iran. That is, the

construction of a six-lane highway across Turkey which will be financed principally by a consortium of European groups and transport entities. It is to shorten the road by over 300 km. The cost is put at $7 billion, and the arrangements are being worked on presently. He said when that road is completed, then his advice to his government is that they exact the appropriate tolls to those who should pay them.

Concerning the protocl for $1.2 billion initialled by Iran and Turkey in October 1975, the Ambassador said he considered that to be "dead". If the Ambassador considered there to be other motitivations on the part of Iran toward the nonfulfillment of this protocol, he did not divulge them.

Turkey's Proposed New Embassy in Tehran

The Ambassador, after recounting this rather fruitless and frustrating experience over the road tax, and perhaps to further illustrate the nature of doing business in Iran, recounted the history of his attempting to relocate his embassy in the proposed federal district called Shahestan Pahlavi. (It has been the intent of the GOI to build this area in the northern part of the city of Tehran into a federal district in which the ministries and major agencies will be located, as well as many as possible of the diplomatic missions. The construction of Shahestan Pahlavi is only now beginning to get underway.) He recounted that he had been the first of the missions in Tehran to approach the Mayor's Office and request the identification of a plot of ground and work out the formal arrangements for the procurement of that land. (It was agreed that the present Embassy on Ferdowsi Avenue would be purchased by the GOI for a museum and park area.) Under Mayor Nikpay, he had received a plot of ground, had it surveyed and had in mind walling the area off and then engaging two gardners to work full time in preparing the landscaping prior to construction. The matter had been discussed formally by his president when he visited the Shah and he had even secured a 30 million lira appropriation from his government for the procurement of the land, a feat he said should not be underestimated in his government.

When in the middle of 1977 Mayor Nikpay was replaced by Mayor Shahrestari, he made a call on the new mayor in order to maintain continuity. Neither the new mayor nor any of his subordinates could locate the voluminous files on this Embassy sale and move to Shahestan Pahlavi. The Ambassador then took this matter up with the Foreign Ministry and was asked to summarize the background in a note, which he did. He has followed up that note with two notes and has yet to hear anything from the Foreign Ministry. He then asked, rhetorically, "What am I to say to Ankara? That I am accredited to a bunch of idiots? How can something progress to this point of detail and be discussed between heads of state and disappear in thin air?"

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RUFNPS/AMEMBASSY PARIS 3343
RUFHOL/AMEMBASSY BONN 4558 INFO
RUDTC/AMEMBASSY LONDON 622Ø DCM
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RUQMKW/AMEMBASSY KUWAIT 26Ø4 POL2
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C O N F I D E N T I A L SECTION 1 OF 2 STATE 158624/1 CRU2
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FOR OECD AND EMBASSY AGR
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E.O. 11652: GDS

TAGS: TU,EFIN

SUBJECT: MEETING BETWEEN PRIME MINISTER ECEVIT AND TREASURY SECRETARY BLUMENTHAL

1. PRIME MINISTER ECEVIT MET WITH SECRETARY BLUMENTHAL JUNE 5. ALSO ATTENDING ON THE TURKISH SIDE WERE FOREIGN MINISTER OKCUN, DEFENSE MINISTER ISIK, TREASURY SECRETARY GENERAL GUCSAVAS, AND AMBASSADOR ESENBEL. ATTENDING ON THE U.S. SIDE WERE TREASURY UNDER SECRETARY SOLOMON, AMBASSADOR SPIERS, TREASURY SPECIAL ASSISTANT FISHER AND TREASURY TURKEY DESK OFFICER BLAKE.

2. THE PRIME MINISTER BEGAN BY GIVING AN OVERVIEW OF TURKEY'S ECONOMIC SITUATION. HE STATED THAT TURKEY WAS GOING THROUGH ONE OF THE WORST ECONOMIC CRISES IN ITS HISTORY AND THAT HE ASSUMED POWER AT THE PEAK OF THE CRISIS. HE ATTRIBUTED THE CRISIS TO A COMBINATION OF INTERNAL AND EXTERNAL FACTORS. ON THE INTERNAL SIDE, ECONOMIC MISMANAGEMENT PLAYED A MAJOR ROLE WHILE EXTERNAL FACTORS SUCH AS THE OIL PRICE INCREASES, WORLDWIDE INFLATION AND RECESSION AND THE "SIDE EFFECTS" OF THE ARMS EMBARGO ALSO HAD AN IMPORTANT IMPACT.

3. THE PRIME MINISTER WENT ON TO DESCRIBE HIS GOVERNMENT'S EFFORTS TO DEAL WITH THIS CRISIS BY INCREASING SAVINGS AND TRYING TO CHANNEL THEM TO MORE PRODUCTIVE SECTORS. HE SAW THESE EFFORIS AS BUILDING UP THE INTERNATIONAL COMMUNITY'S CONFIDENCE IN TURKEY AND NOTED THE IMPORTANT ROLE OF THE IMF AGREEMENT IN THIS RESPECT

4. THE PRIME MINISTER DESCRIBED AT SOME LENGTH TURKEY'S ECONOMIC POTENTIAL, CITING SPECIFICALLY ITS INDUSTRIALIZED OUTLOOK, OPEN SOCIETY, "REASONABLE" NATURAL RESOURCE BASE AND TOURISM. HE SAID HIS GOVERNMENT WAS SEEKING TO EXPLOIT THESE POSSIBILITIES AS RAPIDLY AS POSSIBLE. THIS WOULD INVOLVE REORGANIZING THE ECONOMY TO ENCOURAGE EXPORTS AND TO ELIMINATE BOTTLENECKS. HE CRITICIZED PAST TURKISH GOVERNMENTS' EMPHASIS ON IMPORT-SUBSTITUTING INDUSTRIES, WHICH HE DESCRIBED AS BEING MANY CASES "IMPORT-PERPETUATING INDUSTRIES."

5. TURNING TO THE MEASURES HIS GOVERNMENT IS IMPLEMENTING, THE PRIME MINISTER CITED COMPREHENSIVE TAX REFORM, DISCUSSIONS WITH TURKEY'S LARGEST LABOR UNION ON A "SOCIAL CONTRACT," AND THE REACTIVATION OF THE OECD CONSORTIUM. THE PRIME MINISTER REMARKED THAT THE SIZABLE AMOUNT OF UNGUARANTEED SUPPLIERS' CREDIT ARREARAGES REMAINED A MAJOR PROBLEM AND THAT HE HOPED THAT THE OECD CONSORTIUM MEMBERS COULD BE HELPFUL IN THIS RESPECT, MENTIONING SPECIFICALLY THE ORGANIZATION OF A U.S. TREASURY-SUPPORTED "FINANCIAL FACILITY" TO DEAL WITH THIS PROBLEM.

6. THE PRIME MINISTER SAID THAT DISCUSSIONS WITH THE PRIVATE BANKS WERE CONTINUING AND THAT HE WAS OPTIMISTIC AS TO THE OUTCOME. HE DESCRIBED THE POSSIBLE 500 MILLION DOLS EUROCURRENCY LOAN AS THE "MINIMUM REQUIREMENT" TO RESTORE PRODUCTION AND HOPED THE TREASURY DEPARTMENT WOULD ENCOURAGE U.S. BANKS TO THIS END. THE TURKISH CENTRAL BANK, HE SAID, HAD APPROACHED THE BANK FOR INTERNATIONAL SETTLEMENTS FOR AN EXTENSION OF A FINANCING FACILITY AND THERE COULD BE A POTENTIAL ROLE FOR THE U.S. FEDERAL RESERVE BANK. HE REQUESTED TREASURY'S HELP IN REACTIVATION EXIM BANK ACTIVITIES IN TURKEY. SUCH ACTION COULD HELP TO RELIEVE THE SHORT-RUN, FOREIGN EXCHANGE BOTTLENECK TURKEY PRESENTLY CONFRONTS.

7. SECRETARY BLUMENTHAL RESPONDED BY SAYING THAT THE U.S. WAS GRATIFIED THAT TURKEY HAD BEEN ABLE TO REACH AGREEMENT WITH THE IMF AND THAT WE SAW THIS AS THE KEY TO ALL OTHER FINANCIAL ASSISTANCE. HE THEN ASKED THE PRIME MINISTER HOW DIFFICULT IT WAS GOING TO BE TO MEET THE IMF TARGETS. PRIME MINISTER ECEVIT REPLIED THAT HIS GOVERNMENT WAS TRYING VERY HARD AND THAT IT HAD ALREADY SHOWN A GREAT DEAL OF ABILITY IN INCREASING SAVINGS AND "RECHANNELIZING" CREDITS. THE ESSENTIAL THING, AS HE SAW IT, WAS TO INCREASE TURKEY'S AVAILABLE FOREIGN EXCHANGE TO EASE THE IMPORT BOTTLENECK.

8. SECRETARY BLUMENTHAL NOTED THAT THE PRIME MINISTER HAD EVIDENTLY FOUND A GENERAL RECEPTIVENESS AMONG BANKERS IN NEW YORK TO ASSISTING TURKEY. UNDER SECRETARY GUCSAVAS SAID THAT THE LEAD BANKS WOULD SHORTLY PRESENT A CONCRETE PROPOSAL TO THE TURKISH GOVERNMENT ON HOW TO PROCEED. UNDER SECRETARY SOLOMON ASKED WHETHER THERE HAD BEEN ANY NEW PLEDGES OF FUNDS FROM EUROPEAN GOVERNMENTS. THE PRIME MINISTER SAID THAT WEST GERMANY AND AUSTRIA HAD OFFERED SOME NEW

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MONEY AND THAT THE IBRD WAS CONSIDERING A PROGRAM LOAN FOR TURKEY.

9. SECRETARY BLUMENTHAL SAID THAT THE U.S. WOULD BE AS HELPFUL AS WE POSSIBLY COULD AND THAT THE IMF AGREEMENT, ALONG WITH ITS IMPLEMENTATION, WAS VERY IMPORTANT IN THAT IT MADE OTHER THINGS POSSIBLE. THE PRIME MINISTER SAID THAT TURKISH EXPORTS HAD BEEN UP IN APRIL AND MAY OF THIS YEAR AND WORKERS REMITTANCES WERE INCREASING. HE SAID THAT HIS GOVERNMENT WAS CONSIDERING NEW MEASURES TO ENCOURAGE INVESTMENT IN TURKEY BY WORKERS HOLDING FOREIGN EXCHANGE ABROAD. SECRETARY BLUMENTHAL NOTED THAT WITH THE MAJOR PORTION OF THE WORKERS REMITTANCES COMING FROM WEST GERMANY, AN ACCELERATION OF ECONOMIC ACTIVITY IN THAT COUNTRY WOULD PROBABLY HELP TURKEY AND THE PRIME MINISTER AGREED.

10. UNDER SECRETARY SOLOMON ASKED ABOUT THE POLITICAL DIFFICULTY IN CARRYING OUT THE IMF PROGRAM. THE PRIME MINISTER REPLIED THAT PEOPLE WERE ALREADY FEELING THE EFFECTS OF RISING PRICES WHEN HIS GOVERNMENT TOOK OVER AND REALIZED THAT INFLATION WAS NOT HIS GOVERNMENT'S FAULT. HE SAID THAT HE THOUGHT THAT THE PEOPLE WOULD ACCEPT THIS SITUATION FOR THE REST OF THE YEAR BUT THAT

:T THAT TIME IT WOULD BE NECESSARY TO GIVE THEM SOME SIGNS OF IMPROVEMENT. HE MENTIONED AGAIN THE MEASURES HIS GOVERNMENT WAS TAKING, WITH PARTICULAR STRESS ON RELIEVING OBSTACLES TO EXPORTS. HE NOTED THAT HIS GOVERNMENT HAS A "COMFORTABLE" MAJORITY AND THAT IT HAD A GOOD DIALOGUE WITH THE PEOPLE.

11. UNDER SECRETARY SOLOMON ASKED THE PRIME MINISTER ABOUT THE POLICIES HIS GOVERNMENT INTENDED TO PUT IN PLACE TO RESTRUCTURE THE ECONOMY OVER THE MEDIUM TO LONG TERM. THE PRIME MINISTER REPLIED THAT THE RESTRUCTURING WOULD BE DESIGNED TO DEVELOP EXPORT INDUSTRIES TO TAKE ADVANTAGE OF TURKEY'S GEOGRAPHIC LOCATION CLOSE TO THE MIDEAST MARKET. THE PRIVATE SECTOR COULD PLAY AN IMPORTANT ROLE AND THAT HIS GOVERNMENT HAD "NO COMPLEXES" ABOUT COOPERATING WITH FOREIGN PRIVATE BUSINESSES. SECRETARY BLUMENTHAL INQUIRED AS TO THE SPECIFIC TURKISH EXPORTS WHICH WERE LIKELY TO FIND A MARKET IN THE MIDDLE EAST. THE PRIME MINISTER REPLIED THAT THE STEEL AND SMELTING INDUSTRIES, THE CONSTRUCTION AND ELECTRONICS INDUSTRIES WERE LIKELY CANDIDATES. HE ALSO SAID THAT TURKEY COULD BENEFIT FROM COOPERATION IN THE PRODUCTION OF MILITARY EQUIPMENT. HE HAD ALREADY MADE CONCRETE PROPOSALS TO THIS EFFECT TO DEFENSE SECRETARY BROWN.

12. SECRETARY BLUMENTHAL THEN ASKED ABOUT THE TURKISH GOVERNMENT'S INFLATION TAROETS. THE PRIME MINISTER SAID THAT IT WAS DIFFICULT TO SAY: THAT IT DEPENDED ON THE "BALANCE IN THE AREA OF SUPPLY AND DEMAND." ADDITIONAL FOREIGN EXCHANGE WOULD EASE THE SITUATION SIGNIFICANTLY BY PERMITTING IMPORTS OF INTERMEDIATE INPUTS NECESSARY FOR PRODUCTION. HE SAID THAT INFLATION LAST YEAR WAS AROUND 5Ø PERCENT AND THAT HE WAS NOT HOPING FOR "SENSATIONAL RESULTS" THIS YEAR.

13. SECRETARY BLUMENTHAL ASKED ABOUT AN IMF REIEW OF TURKEY'S PERFORMANCE. THE PRIME MINISTER REPLIED THAT THE IMF WOULD OBVIOUSLY KEEP AN EYE ON THE SITUATION AND UNDER SECRETARY GUCSAVAS NOTED THAT FUND REPRESENTATIVES WOULD EXAMINE THE SITUATION AROUND THE END OF THE YEAR IN A FORMAL REVIEW. UNDER SECRETARY SOLOMON REMARKED THAT IT WAS UNFORTUNATE THAT IN SO MANY CASES THE IMF CAME IN SO LATE. THE PRIME MINISTER AGREED, SAYING THAT THE PREVIOUS GOVERNMENT HAD LARGELY WASTED A YEAR.

14. SECRETARY BLUMENTHAL CONCLUDED THAT THE U.S. WOULD DO ALL IT COULD TO BE OF ASSISTANCE. WE FOLLOW CLOSELY THE SITUATION IN TURKEY AND HOPE THE PRIVATE BANKS WILL BE ABLE TO HELP. FOREIGN MINISTER OKCUN ASKED IF THE U.S. COULD URGE THE KUWAITIS AND THE IRANIANS TO SUPPLY FUNDS TO TURKEY. SECRETARY BLUMENTHAL REPLIED THAT THESE COUNTRIES MADE THEIR OWN DECISIONS IN THESE MATTERS. PRIME MINISTER ECEVIT SAID THAT THE TURKISH FINANCE MINISTRY HAD BEEN IN CONTACT WITH THE KUWAITI AND THE SAUDI ARABIAN FINANCE MINISTRIES AND THAT A LITTLE ENCOURAGEMENT FROM THE U.S. WOULD BE HELPFUL. SECRETARY BLUMENTHAL SAID THAT WE WOULD HAVE NO PROBLEMS IF THE KUWAITI AND THE SAUDI ARABIAN GOVERNMENTS CHOSE TO MAKE FUNDS AVAILABLE, BUT THAT THIS IS A DECISION MADE BY THESE COUNTRIES THEMSELVES, IF ASKED BY THOSE GOVERNMENTS FOR OUR VIEWS, WE WOULD BE POSITIVE. VANCE
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DEPARTMENT OF STATE 78 JUL -6 AM 7:17

TELEGRAM

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INDICATE COLLECT CHARGE TO

	FROM	CLASSIFICATION
	AMEMBASSY TEHRAN	LIMITED OFFICIAL USE

E.O. 11652:
TAGS:
SUBJECT:

ACTION:

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ACTION: SECSTATE WASHDC IMMEDIATE

06428

INFO: AMEMBASSY ANKARA

LIMITED OFFICIAL USE TEHRAN 06428

E.O. 11652: N/A

TAGS: PEPR, IR, TU

SUBJECT: NEW IRAN-TURKEY TRADE AGREEMENT

1. IRANIAN AND TURKISH REPRESENTATIVES HERE ARE CELEBRATING CONCLUSION OF IMPORTANT TRADE AGREEMENT WHICH CALLS FOR IRAN PROVIDING TURKEY ONE MILLION TONS CRUDE OIL AND ONE-HALF MILLION TONS FUEL OIL OVER A PERIOD OF ABOUT A YEAR IN RETURN FOR TURKISH AGRICULTURAL PRODUCTS, MAINLY AGRICULTURAL PRODUCTS BUT INCLUDING SOME INDUSTRIAL PRODUCTS (GLASS, CEMENT) AGREEMENT WAS REPORTED IN TEHRAN'S ENGLISH LANGUAGE PRESS OF JULY 5 AS A LETTER OF INTENT SIGNED BY VISITING TURKISH MINISTER FOR ECONOMIC AFFAIRS HIKMET ~~XXXXXX~~ CETIN AND GOI'S MINISTER FOR ECONOMIC AFFAIRS AND FINANCE (MEAF) YEGANEH

2. UNDER SECRETARY IN MEAF EMPHASIZED TO EMBOFF THAT AGREEMENT WAS NOT RPT NOT A BARTER AGREEMENT. GOI, HE SAID, MUST AGREE

DRAFTED BY:	DRAFTING DATE	TEL. SKT.	CONTENTS AND CLASSIFICATION APPROVED BY:
POL:GLambrakis/ECON:RCBrewin	7/6/78	1110	ADCM:RCBrewin

CLEARANCES:

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OPTIONAL FORM 152(H)
(Formerly FS-413(H))
January 1975
Dept. of State

ON QUANTITIES, DELIVERY DATES, AND PRICES OF TURKISH PRODUCTS TO BE SHIPPED TO IRAN. AT SAME TIME TURKISH REPS MUST NEGOTIATE DELIVERY DATES AND SPECIFICATIONS OF IRANIAN CRUDE (PROPORTIONS OF HEAVY AND LIGHT) AND FUEL OIL TO BE SHIPPED. PRICE OF CRUDE WILL BE OPEC POSTED PRICE BUT MEAF REP HINTED THERE WOULD BE "FINANCING" (I.E., SOME MODEST DISCOUNTING) PROVIDED TO TURKEY. TOTAL VALUE OF AGREEMENT IS /140-150 DOLLARS C MILLION AND ALL DELIVERIES ARE EXPECTED TO BE/OMPLETED WITHIN ONE YEAR.

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FM AMEMBASSY ANKARA
TO RUEHC/SECSTATE WASHDC 2605
INFO RUFLEPA/AMCONSUL ADANA 8036
RUEHCR/USINT BAGHDAD 142
RUQMPL/AMCONSUL ISTANBUL 6150
RUFLAEA/AMCONSUL IZMIR 72
RUQMRA/AMEMBASSY JIDDA 520
RUQMKW/AMEMBASSY KUWAIT 191
RUEHMO/AMEMBASSY MOSCOW 1124
RUQMHR/AMEMBASSY TEHRAN 5843
RUQMTI/AMEMBASSY TRIPOLI 174
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C O N F I D E N T I A L

LIMITED OFFICIAL USE SECTION 1 OF 2 ANKARA 5123

E.O. 11652 N/A
TAGS: ENRG, EFIN, IR, IZ, TU
SUBJ: PROGRESS IN TURKISH NEGOTIATIONS WITH PETROLEUM SUPPLIERS

REF: (A) TEHRAN 6428, (B) ANKARA 4745, (C) TEHRAN 2454, (D) ANKARA 4638, (E) ANKARA 1647, (F) ANKARA 3053, (G) ANKARA 2576

SUMMARY: TURKEY CONTINUES TO WORK OUT BILATERAL PAYMENTS ARRANGEMENTS IN ORDER TO ASSURE CONTINUATION OF ITS IMPORTED PETROLEUM SUPPLY. IRAN HAS AGREED TO EXTEND CREDIT TO TURKEY FOR IRANIAN CRUDE AND FUEL OIL AND TO ACCEPT VARIOUS TURKISH EXPORTS. TURKEY IS HOLDING DISCUSSIONS WITH AN IRAQI DELEGATION IN HOPES OF REPAYING ALMOST ONE-HALF OF TURKEY'S PETROLEUM DEBTS TO IRAQ THROUGH TURKISH EXPORTS.
END SUMMARY.

1. AFTER SIGNING FIVE-YEAR AGREEMENTS ON BILATERAL TRADE AND CREDIT WITH LIBYA IN MAY AND AGREEMENT IN PRINCIPLE FOR THREE YEARS OF BARTER TRADE WITH THE SOVIET UNION IN JUNE, TURKEY HAS TURNED TO TWO MORE PETROLEUM EXPORTERS IN ORDER TO ASSURE THAT ITS OIL SUPPLY CONTINUES. IRAN AGREED ON JULY 4 TO FINANCE TURKISH IMPORTS DURING THE NEXT YEAR OF 1.5 MILLION TONS OF IRANIAN CRUDE AND FUEL OIL AND TO ACCEPT UNSPECIFIED QUANTITIES OF TURKISH EXPORTS. ON JULY 10, TURKEY BEGAN DISCUSSIONS WITH AN IRAQI DELEGATION, REPORTEDLY IN HOPE OF REPAYING ALMOST ONE-HALF OF TURKEY'S PETROLEUM DEBTS THROUGH TURKISH EXPORTS OVER THE NEXT TWO YEARS AND REFINANCING THE REST. TURKEY WANTS TO PERSUADE IRAQ, ITS PRINCIPAL OIL SUPPLIER, TO RESUME OIL EXPORTS TO TURKEY THAT HAVE VIRTUALLY HALTED SINCE THE BEGINNING OF 1978.

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INFO:
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2. A TURKISH DELEGATION HEADED BY HIKMET CETIN, MINISTER OF STATE, SIGNED THREE ECONOMIC AGREEMENTS WITH THE IRANIANS ON JULY 4 IN TEHRAN. THE AGREEMENTS PROVIDE FOR SALE OF IRANIAN OIL TO TURKEY, GIVE IRANIAN CREDITS TO TURKEY TO COVER THE COST OF THIS OIL, PLAN FOR INCREASED TURKISH EXPORTS TO IRAN, AND ANTICIPATE CLOSER BILATERAL ECONOMIC COOPERATION.

3. UNDER A PETROLEUM SUPPLY AGREEMENT BETWEEN A STATE-OWNED TURKISH REFINERY (IPRAS) AND IRANIAN NATIONAL OIL COMPANY (INOC), IRAN HAS UNDERTAKEN TO SUPPLY ONE MILLION TONS OF CRUDE AND 500,000 TONS OF FUEL OIL TO IPRAS, TURKEY'S LARGEST REFINERY, DURING THE NEXT TWELVE MONTHS. AGREEMENT SPECIFIES QUALITY OF IRANIAN OIL AND TRANSPORTATION ARRANGEMENTS. OIL WILL BE PURCHASED AT PREVAILING OPEC PRICES.

4. UNDER A CREDIT AGREEMENT, IRANIAN FINANCE MINISTRY AND GENERAL DIRECTORATE OF INDUSTRIAL AND TECHNICAL COOPERATION WILL EXTEND CREDITS TO TURKISH CENTRAL BANK COVERING THE ENTIRE COST OF THE OIL. AGREEMENT DEFERS PAYMENT FOR A PERIOD OF 14 MONTHS AFTER EACH DELIVERY OF OIL TO TURKEY, AT WHICH TIME TURKISH CENTRAL BANK WILL REPAY IRAN THE FULL COST OF EACH SHIPMENT AND ACCRUED INTEREST. INTEREST RATE WILL BE SIX PERCENT PER ANNUM.

5. A FRAME AGREEMENT BETWEEN THE GOVERNMENTS OF TURKEY AND IRAN PROVIDES GENERALLY FOR TURKISH EXPORTS TO IRAN AND FOR BILATERAL ECONOMIC COOPERATION. TURKEY HOPES TO EARN ABOUT $100 MILLION PER YEAR BY EXPORTS TO IRAN OF CEMENT, GLASS, WHEAT, BARLEY, CITRUS FRUITS, MEAT, AND LIVE SHEEP. EMBASSY CONTACT CONFIRMS THAT TURKISH EXPORTS WILL BE PAID FOR IN CASE ACCORDING TO ARRANGEMENTS THAT ARE YET TO BE MADE CONCERNING PRICES, QUALITY, AND QUANTITY (REF A). THE TWO GOVERNMENTS WILL COOPERATE ON TOURISM, TELECOMMUNICATIONS, TRANSPORTATION, AND LIVESTOCK BREEDING.

6. IN A SEPARATE DEVELOPMENT, AN IRAQI DELEGATION, HEADED BY THE UNDER SECRETARY OF THE MINISTRY OF TRADE, IS MEETING WITH THE GOT IN ANKARA JULY 10-14 ON EXPANSION OF TURKISH EXPORTS TO IRAQ DURING THE NEXT TWO YEARS, ACCORDING TO AN ARITCLE IN PRO-GOVERNMENT "MILLIYET" OF JULY 12 BY NILUFER YALCIN, USUALLY A RELIABLE SOURCE. YALCIN REPORTS THAT IRAQI DELEGATION POSTPONED SUBJECT OF TURKEY'S REPAYING ITS $330 MILLION OIL DEBT FOR CONSIDERATION AT SUBSEQUENT MEETING AT UNSPECIFIED DATE IN BAGHDAD. MOREOVER, IRAQ WILL NOT RESUME SUPPLYING CRUDE OIL TO TURKEY UNTIL POLITICAL CONTACTS ARE MADE AT A HIGHER LEVEL, SHE SAYS. TURKS ARE REPORTEDLY TRYING TO ARRANGE FOR EXPORTS TO IRAQ VALUED AT $150 TO $160 MILLION DURING THE NEXT TWO-YEAR PERIOD, HALF OF WHICH IRAQIS SAY THEY COULD PURCHASE "THIS YEAR". ACCORDING TO YALCIN, IRAQIS ARE PRIMARILY INTERESTED IN TURKISH FOODSTUFFS AND CEMENT BUT TURKS ARE TRYING TO CONVINCE THEM TO IMPORT TURKISH DURABLE CONSUMER GOODS.

7. COMMENT: IRAN. MFA SPECIALIST IN PETROLEUM AFFAIRS, SANLI TOPUZCUOGLU, SAID THAT PETROLEUM SUPPLY AND CREDIT AGREEMENTS WITH IRAN WILL BE IMPLEMENTED AS SOON AS A FEW "ADMINISTRATIVE FORMALITIES" CAN BE COMPLETED; THESE MAY TAKE TWO OR THREE WEEKS. TOPUZCUOGLU, WHO RETURNED FROM THE NEGOTIATIONS IN TEHRAN TO PLUNGE INTO THE TALKS WITH IRAQ, EXPECTS TURKISH TANKERS TO SET OUT FOR PERSIAN GULF VERY SHORTLY. ALTHOUGH SUCH AGREEMENTS ARE USUALLY GAZETTED IN TURKEY, HE DOES NOT BELIEVE THAT THE TURKISH-IRANIAN AGREEMENTS WILL BE PUBLISHED, BUT TURKISH LEGAL ADVISORS HAVE YET TO EXPRESS AN OPINION ON THIS SUBJECT. ON THE BASIS OF REF C, WE JUDGE THAT IRAN RATHER THAN TURKEY MAY PREFER SUCH CONFIDENTIALITY.

8. WITH THESE ARRANGEMENTS, TURKEY APPEARS TO HAVE MADE SOME PROGRESS TOWARD OVERCOMING THE STALEMATE IN ITS ECONOMIC RELATIONS WITH IRAN. UNTIL NOW, IRAN HAS INSISTED THAT TURKEY PAY CASH FOR IRANIAN OIL (REF C). TURKEY HAS NOW MANAGED TO DEFER PAYMENT FOR 14 MONTHS ON OIL IMPORTS ESTIMATED TO BE WORTH FROM $135 TO $150 MILLION. SUCH SHORT-TERM CREDIT IS PRECISELY WHAT TURKEY NEEDS MOST NOW AND SIX PERCENT IS AN UNUSUALLY LOW-INTEREST RATE. HOWEVER, THERE IS NOT YET ANY INDICATION WHETHER IRAN WILL BE WILLING TO ENTER LONGER-TERM PAYMENTS ARRANGEMENTS SUCH AS THOSE TURKEY HAS AGREED TO ESTABLISH WITH LIBYA AND THE SOVIET UNION. (FYI: ON JULY 11, TURKISH PRESS REPORTED THAT LIBYA'S $100 MILLION OF UNRESTRICTED PROGRAM CREDITS WILL BE AVAILABLE BY JULY 31 AT 8.5 PERCENT INTEREST RATE AND THAT THREE-YEAR TRADE AGREEMENT WITH USSR WILL BE SIGNED ON AUGUST 20.)

9. THE AMOUNT OF OIL WHICH IRAN HAS AGREED TO FINANCE IS 15 PERCENT LESS THAN TURKEY IMPORTED FROM IRAN LAST YEAR (1.8 MILLION TONS), ALL OF WHICH WAS CRUDE. IF TURKEY WERE TO IMPORT ONLY THE AMOUNT OF OIL WHICH IRAN HAS OFFERED TO FINANCE, IRAN'S EXPORTS WOULD ACCOUNT FOR APPROXIMATELY 8 PERCENT OF TURKEY'S ANNUAL IMPORTS OF CRUDE AND ABOUT 30 PERCENT OF TURKEY'S ANNUAL IMPORTS OF FUEL OIL. FOR THE FIRST TIME, PART OF IRAN'S OIL EXPORTS TO TURKEY WILL BE FUEL OIL. THE 500,000 TONS OF FUEL OIL WOULD BE ENOUGH TO ALLOW TURKEY TO INCREASE ITS IMPORTS OF FUEL OIL BY 50 PERCENT OVER THE LEVEL REACHED IN 1977, CONTINUING THE TREND OF THE PAST FEW YEARS. (FYI: FUEL OIL IS USED PRIMARILY FOR ELECTRICITY GENERATION AND SPACE HEATING IN TURKEY).

10. ACCORDING TO TOPUZCUOGLU, TURKEY'S ARRANGEMENT WITH IRAN DOES NOT ESTABLISH ANY DIRECT LINKAGE BETWEEN IRAN'S OIL EXPORTS TO TURKEY AND TURKEY'S EXPORTS TO IRAN. CONSEQUENTLY, THE IRANIAN AGREEMENTS DO NOT APPEAR TO EMBASSY TO CONSTITUTE A DISGUISED BARTER ARRANGEMENT SUCH AS THAT ESTABLISHED BETWEEN TURKEY AND LIBYA, IN WHICH CASE THE AMOUNT OF TURKISH EXPORTS WAS SPECIFIED IN THE TRADE AGREEMENT (REF D). IN A RECENT CONVERSATION WITH EMBOFF, DIRECTOR GENERAL OF TURKISH TREASURY AYSEL OYMEN EXPRESSED CONVICTION THAT TURKISH AGREEMENTS WITH IRAN AND LIBYA

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PROVIDING FOR TURKISH IMPORTS OF OIL AND EXPORTS OF OTHER GOODS WILL NOT BE A CAUSE OF CONCERN FOR THE IMF, EVEN THOUGH IRAN AND LIBYA ER MF MEMBERS.

11. THE ONLY HINT OF ANY OBLIGATION THAT TURKEY MIGHT HAVE UNDERTAKEN TOWARD IRAN IN RETURN FOR THESE OIL CREDITS IS FOUND IN A REFERENCE IN THE FRAME AGREEMENT TO BILATERAL COOPERATION IN THE TRANSPORTATION SECTOR.. TURKEY MAY HAVE AGREED TO MAKE CONCESSIONS TO IRAN ON THE TIR RATE FOR IRANIAN TRUCKS TRANSITING TURKEY. THIS TOPIC HAS BEEN A MAJOR IRRITANT IN TURKISH-IRANIAN RELATIONS, CAUSING IRAN TO WITHOLD $1.2 BILLION IN DEVELOPMENT CREDITS EARLIER PROMISED TO TURKEY.

12. IRAQ. ALTHOUGH TURKEY'S AGREEMENTS WITH IRAN ARE CLEARLY A BREAKTHROUGH, TURKEY'S LEADING PETROLEUM SUPPLIER IS IRAQ, WHICH FURNISHED 56 PERCENT (6.6 MILLION TONS) OF TURKEY'S CRUDE IMPORTS IN 1977. TURKEY HAS BEEN FORCED TO OBTAIN MUCH OF ITS OIL IMPORTS THROUGH SPOT PURCHASES SINCE IRAQ HALTED ITS OIL SUPPLY TO TURKEY AT THE BEGINNING OF 1978. CONSEQUENTLY, TURKEY'S CURRENT TALKS WITH IRAQ ARE PRATICULARLY CRITICAL. THESE TALKS ARE AT A LOWER LEVEL THAN THOSE WITH IRAN; THEY ARE DESCRIBED AS "TECHNICAL TALKS". WITH ITS USUAL OPTIMISM, THE TURKISH PRESS IS PREDICTING THAT TURKEY HOPES TO HAVE THE PIPELINE FROM IRAQ OPERATING AGAIN BY THE END OF JULY. HOWEVER, EMBASSY EXPECTS THAT IT MAY TAKE SEVERAL MONTHS FOR IRAQ AND TURKEY TO WORK OUT THEIR FINANCIAL AND COMMERCIAL PROBLEMS.

13. LOCAL REPRESENTATIVE OF CITIBANK TOLD EMBOFF JULY 10 THAT HE THOUGHT IT POSSIBLE THAT THE TWO SIDES WILL DISCUSS HIS BANK'S OFFER TO EXTEND A LOAN TO TURKISH CENTRAL BANK TO BE USED TO REPAY ALL OR PART OF ARREARS DUE IRAQ FOR OIL SHIPMENTS TO TURKEY. CITIBANK HAS ASKED THAT IRAQ GUARANTEE THE LOAN. IF YALCIN IS CORRECT, THIS SUBJECT WILL NOT BE TREATED IN ANKARA. TERCUMAN REPORTED JULY 12 THAT ENERGY MINISTER DENIZ BAYKAL HAS BEEN INVITED TO GO TO BAGHDAD TO DISCUSS PROBLEM OF PETROLEUM DEBT.

14. EMBASSY WILL SEEK INFORMATION ABOUT OUTCOME OF TALKS WITH IRAQ AND REPORT. DILLON
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RR RUQMHR
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FM AMEMBASSY ANKARA
TO RUQMHR/AMEMBASSY TEHRAN 5845
INFO RUEHC/SECSTATE WASHDC 2614
BT
C O N F I D E N T I A L ANKARA 5134

ACTION: POL3

INFO: AMB DCM ECON2 PM OR ICA SHIRAZ TABRIZ CRU2

E.O. 11652 GDS
TAGS: PINR, TU, IR
SUBJ: NEW TURKISH AMBASSADOR TO IRAN, TURGUT TULUMEN

REF: (A) ANKARA 4965, (B) TURKEY PLBRL

1. TEHRAN WILL BE THE FIRST AMBASSADORIAL POST FOR TURGUT TULUMEN, AN EXCEPTIONALLY ABLE 49-YEAR-OLD DIPLOMAT WHO FOR THE LAST TWO YEARS HAS HELD ONE OF THE MFA'S HOTTEST JOBS AS DIRGEN FOR CYPRUS/GREECE AFFAIRS. HE HAS TOLD US THAT HE REGARDS THE IMPORVEMENT OF TURKISH/IRANIAN RELATIONS AS A VERY HIGH PRIORITY FOR TURKEY AND THAT HE IS DETERMINED TO DO ALL HE CAN TO BRING ABOUT IMPROVEMENT. HE PLANS TO LEAVE FOR HIS NEW POST IN AUGUST.

2. TULUMEN'S PERSONAL BACKGROUND IS THE TURKISH EQUIVALENT OF THE US EASTERN ESTABLISHMENT TYPE: BORN IN ISTANBUL, SECONDARY EDUCATION AT GALATASARY LYCEE IN ISTANBUL, AND GRADUATED FROM THE ANKARA UNIVERSITY FACULTY OF POLITICAL SCIENCE. SINCE JOINING THE FOREIGN SERVICE IN 1952, HE HAS GAINED WELL-ROUNDED EXPERIENCE IN ECONOMIC, POLITICAL, PRESS, AND NATO AFFAIRS. HIS OVERSEAS POSTS INCLUDE WASHINGTON, NICOSIA, ATHENS, AND BRUSSELS (NATO). HE HEADED THE TURKISH DEL TO THE PRELIMINARY TALKS ON MBFR IN 1973. HE WAS MFA DEPUTY SPOKESMAN 1974-76.

3. WHEN HE BECAME CYPRUS/GREECE DIRGEN IN 1976, HE TOLD US WE COULD COUNT ON HIM TO WORK HARD AT REACHING A CYPRUS SETTLEMENT, AND THAT HE WOULD LOOK FOR NEW APPROACHES AND WAYS OF BEING FLEXIBLE. WE BELIEVE THAT WITHIN TURKISH POLITICAL AND POLICY LIMITATIONS, HE HAS MADE GOOD ON THAT PLEDGE. WE HAVE NONETHELESS FOUND HIM A TOUGH BARGAINER WHO CAN BE UNYIELDING UNDER PRESSURE. WHILE HE HAS TAKEN A HARDER LINE ON SOME ISSUES THAN WE THOUGHT JUSTIFIED, HE OBVIOUSLY HAS WORKED HARD ON OTHERS TO DEVELOP A BUREAUCRATIC CONSENSUS SUPPORTING FLEXIBILITY AND COMPROMISE. MORE THAN MOST OF HIS

C O N F I D E N T I A L

COLLEAGUES, HE LOOKS FOR CREATIVE SOLUTIONS; AND ON A NUMBER OF OCCASIONS HE AND WE HAVE BEEN ABLE TO KICK EACH OTHER'S IDEAS AROUND AND PRODUCE USEFUL RECOMMENDATIONS FOR HIGH-LEVEL ACTION. HE CAN FLARE UP QUICKLY AND IS FRANK IN CRITICIZING US POLICY, BUT THE TONE OF HIS CRITICISM IS USUALLY ONE OF DISAPPOINTMENT, NOT RANCOR, AND HE WILL LISTEN TO REVERSE CRITICISM WITHOUT ANGER. HE CONVERYS THE GOT POSITION ACCURATELY AND APPARENTLY REPORTS OUR POSITION WELL. HE SHOWS A BROAD, COMPLETELY POLICY-ORIENTED OUTLOOK AND AN EXCELLENT KNOWLEDGE OF HOW HIS OWN GOVERNMENT WORKS.

4. TULUMEN'S PARTY SYMPATHIES ARE NOT CLEAR. IN THE CYPRUS/GREECE JOB, HE HAS WORKED CLOSELY WITH GOVERNMENTS HEADED BY BOTH MAJOR PARTIES. ALTHOUGH HE DISPLAYS AN AUTOGRAPHED PICTURE OF FORMER PRIMIN DEMIREL IN HIS LIVING ROOM, HE HAS WORKED EXTREMELY WELL WITH PRIMIN ECEVIT, WHO HAS TAKEN A STRONG PERSONAL ROLE IN MAKING POLICY ON THE CYPRUS PROBLEM AND TURKEY'S RELATIONS WITH GREECE.

5. BOTH TULUMEN AND HIS WIFE HAVE EXCELLENT COMMAND OF ENGLISH. SHE IS AN EXCELLENT HOSTESS AND A WELL-BALANCED PERSON. THEIR ONLY CHILD, A DAUGHTER, 23, IS A TALENTED ARTIST (SHE JUST HAD AN EXHIBIT AT THE TURKISH AMERICAN ASSOCIATION, WHICH WE HELPED ARRANGE) AND IS ABOUT TO BE MARRIED. THE TULUMENS HAVE QUIET TASTES, ENJOY ART AND CLASSICAL MUSIC, ENTERTAIN FAIRLY OFTEN, AND SHARE THE TURKISH LOVE OF CARD-PLAYING.

6. TULUMEN WILL BRING TO HIS NEW JOB INTELLIGENCE, DRIVE, ARTICULATENESS, POLICY SENSE, AND A KNOWLEDGE OF HOW TO GET THINGS DONE IN ANKARA. PROBABLY HE WILL ALSO BE BLESSED WITH ECEVIT'S BACKING. WE BELIEVE YOU WILL ENJOY KNOWING AND WORKING WITH HIM. DILLON

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RR RUQMHR
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INFO RUFLEPA/AMCONSUL ADANA 8074
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RUFIAEA/AMCONSUL IZMIR 108
RUQMRA/AMEMBASSY JIDDA 527
RUQMKW/AMEMBASSY KUWAIT 197
RUEHMO/AMEMBASSY MOSCOW 1137
RUQMHR/AMEMBASSY TEHRAN 5852
RUQMTI/AMEMBASSY TRIPOLI 178
RUFENA/USMISSION USNATO 6006
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C O N F I D E N T I A L

LIMITED OFFICIAL USE SECTION 1 OF 3 ANKARA 5455

E.O. 11652 N/A
TAGS: ENRG, EFIN, IZ, TU
SUBJ: PROGRESS IN TURKISH RELATIONS WITH PETROLEUM SUPPLIERS

REF: (A) ANKARA 5123, (B) BAGHDAD 1304, (C) ANKARA 4638

(D) ANKARA 4745, (E) ANKARA 5094, (F) ANKARA 5133

SUMMARY: TURKEY IS MAKING PROGRESS IN IMPROVING ECONOMIC RELATIONS WITH THREE OIL EXPORTERS (LIBYA, IRAN, AND THE SOVIET UNION). BUT TURKISH RELATIONS WITH IRAQ, ITS MAIN CRUDE SUPPLIER UNTIL THIS YEAR, HAVE BEEN DEVELOPING AT A SNAIL'S PACE. TURKEY HAS ALREADY STARTED RECEIVING PETROLEUM ON CREDIT FROM LIBYA, THE IRANIAN COUNCIL OF MINISTERS HAS REPORTEDLY APPROVED $150 MILLION IN OIL CREDITS FOR TURKEY, AND TURKEY IS ARRANGING TO RECEIVE SOVIET OIL SOON. MEANWHILE, TURKISH-IRAQI RELATIONS ARE APPARENTLY STALLED UNTIL THE TWO CONTRIES CAN REACH AGREEMENT ON PRICES OF TURKISH EXPORTS OF AGRICULTURAL AND INDUSTRIAL GOODS PLANNED DURING A VISIT BY A COMMERCIAL DELEGATION FROM IRAQ, JULY 10-14. END SUMMARY.

1. TURKISH EFFORTS TO IMPROVE ECONOMIC RELATIONS WITH LIBYA, IRAN, AND THE SOVIET UNION ARE BEGINNING TO PRODUCE RESULTS, BUT PROGRESS IS SLOW WITH RESPECT TO IRAQ.

2. TURKEY HAS STARTED TO RECEIVE SHIPMENTS OF CRUDE OIL FROM LIBYA UNDER TERMS OF FIVE-YEAR TRADE AND CREDIT AGREEMENTS REACHED WITH THAT COUNTRY IN MAY (REF C). DEPUTY GOVERNOR OF TURKEY'S CENTRAL BANK, NACI TIBET, PROVIDED EMBOFF WITH FOLLOWING DETAILS ON AGREED CREDITS:
(1) ARAB-TURKISH BANK IN ISTANBUL WILL OPEN JULY 31, 1978;
(2) LIBYA INTENDS TO COMPLETE ARRANGEMENTS ON AUGUST 7 FOR THIS BANK TO PROVIDE TURKEY ON AUGUST 10 TEN $120 MILLION OF UNRESTRICTED PROGRAM CREDITS AGREED UPON;
(3) THESE CREDITS WILL BE "HOT MONEY" TO BE USED IMMEDIATELY FOR TURKEY'S URGENT NEEDS;
(4) INTEREST RATE WILL BE 0.75 PERCENT ABOVE LIBOR, SIGNIFICANTLY ABOVE 8.5 PERCENT RATE REPORTED IN REF A;
(5) CREDITS WILL BE REPAID OVER NEXT FIVE YEARS.

3. TURKISH PRESS OF JULY 22 REPORTED THAT IRANIAN COUNCIL OF MINISTERS APPROVED A LOAN OF $150 MILLION TO TURKISH CENTRAL BANK TO FINANCE TURKISH IMPORTS OF IRANIAN OIL AGREED UPON IN TEHRAN JULY 7 (REF A). HOWEVER, GOT HAS NOT YET RECEIVED ANY OFFICIAL NOTICE THAT IRANIAN GOVERNMENT WILL OFFER THIS MUCH OIL CREDIT.

4. VICE PRESIDENT OF TURKISH PETROLEUM CORPORATION (TPAO) ISMAIL KAFESCIOGLU TOLD EMBOFF ON JUNE 26 THAT TURKEY AND THE SOVIET UNION MAY BE ABLE TO REACH AGREEMENT SOON UPON TERMS OF SOVIET OIL EXPORTS PLANNED DURING PRIME MINISTER ECEVIT'S RECENT VISIT TO MOSCOW (REFS B, C, AND F). KAFESCIOGLU SAID ARRANGEMENTS HAD BEEN PLANNED AT A MEETING CHAIRED BY MINISTER OF STATE ELEMET CETIN AND ATTENDED BY REPRESENTATIVES OF ALL TURKISH STATE ECONOMIC ENTERPRISES PARTICIPATING IN ECONOMIC COOPERATION WITH THE SOVIET UNION, AS WELL AS OFFICIALS FROM STATE PLANNING OFFICE, MINISTRY OF COMMERCE, AND MFA. IN EARLY AUGUST, A DELEGATION OF TURKISH OIL EXPERTS HEADED BY TPAO MARKETING DIRECTOR SOYMAN WILL VISIT THE SOVIET UNION TO DISCUSS TURKISH OIL IMPORTS AND SOVIET PARTICIPATION IN TURKISH OIL EXPLORATION. KAFESCIOGLU SAID HE WOULD NOT BE

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RUQMRA/AMEMBASSY JIDDA 528
RUQMKW/AMEMBASSY KUWAIT 198
RUEHMO/AMEMBASSY MOSCOW 1138
RUQMTR/AMEMBASSY TEHRAN 5853
RUQMTI/AMEMBASSY TRIPOLI 179
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C O N F I D E N T I A L

LIMITED OFFICIAL USE SECTION 2 OF 3 ANKARA 5455

SURPRISED IF ANKARA AND MOSCOW WERE ABLE TO AGREE UPON THE TERMS OF SOVIET OIL EXPORTS IN TIME TO INCLUDE THE OIL IN THE THREE-YEAR TRADE AGREEMENT WHICH TURKISH MINISTER OF COMMERCE PREVIOUSLY TOLD TURKISH PRESS WOULD BE ANNOUNCED AUGUST 20 (REF A).

5. AFTER A WEEK OF CONSULTATIONS IN ANKARA WITH THE GOT JULY 10-14 (REF A), A MID-LEVEL IRAQI COMMERCIAL DELEGATION RETURNED TO BAGHDAD, UNABLE TO AGREE WITH THE TURKS ON PRICES FOR TURKISH EXPORTS OF VARIOUS AGRICULTURAL AND INDUSTRIAL GOODS OVER THE FOLLOWING TWO YEARS. SOURCE OF THIS INFORMATION IS SAMI TOPUZCUOGLU, MFA PETROLEUM EXPERT. DURING THESE COMMERCIAL CONSULTATIONS, IRAQ AGREED TO PURCHASE 400,000 TONS OF TURKISH WHEAT DURING THE NEXT TWO YEARS AND 60 TURKISH BUSES, AS WELL AS SMALL AMOUNTS OF LENTILS, HAZELNUTS, PISTACHIOS, SULTANAS, AND TEA, AND UNSPECIFIED AMOUNTS OF TURKISH AUTOMOBILES AND REFRIGERATORS. SOURCE TOLD EMBOFF ON JULY 24 THAT THE TWO SIDES WERE ABLE TO AGREE UPON THE PRICES FOR ONLY $5 MILLION WORTH OF TURKISH EXPORTS; THE GOT, HE SAID, IS NOW AWAITING AN OFFER FROM IRAQ ON PRICES FOR TURKISH WHEAT, CEMENT, GLASS, AND AUTOMOBILES.

6. TURKISH-IRAQI TALKS WERE STRICTLY COMMERCIAL, ACCORDING TO TOPUZCUOGLU, AND NO LINK HAS YET BEEN ESTABLISHED BETWEEN TURKEY'S EARNINGS FROM SUCH EXPORTS AND TURKEY'S

OIL ARREARS TO IRAQ. SUCH A LINK WILL NOT BE ESTABLISHED UNTIL NEGOTIATIONS BEGIN ON TURKEY'S OIL DEBTS, HE TOLD EMBOFF ON JULY 25. HE WOULD NOT HAZARD A GUESS AS TO WHEN THAT WILL BE, EXPLAINING ONLY THAT IRAQ'S INVITATION TO TURKISH ENERGY MINISTER DENIZ BAYKAL TO VISIT BAGHDAD "AT HIS EARLIEST CONVENIENCE" HAS BEEN "DELAYED".

7. TOPUZOGLU REPORTS THAT IT IS NOT YET EVIDENT WHEN IRAQ WILL RESUME PUMPING CRUDE TO TURKEY THROUGH THE PIPELINE. TURKEY'S ONLY IMPORTS OF OIL FROM IRAQ SINCE THE BEGINNING OF THE YEAR HAVE BEEN THROUGH SPOT PURCHASES (CASH TERMS) WHICH ARE NOT SHIPPED VIA THE PIPELINE, HE EXPLAINED.

8. ANOTHER SOURCE SAYS THAT THE GOT ALSO AWAITS AN IRAQI INITIATIVE CONCERNING THE PROPOSED RAIL LINK BETWEEN IRAQ AND TURKEY (REF B). ERDAL COSKUN, CHIEF ENGINEER ATTURKEY'S MINISTRY OF TRANSPORTATION, TOLD EMBOFF ON JULY 24 THAT A DELEGATION OF IRAQI TRANSPORTATION EXPERTS IS EXPECTED TO VISIT ANKARA AT SOME TIME IN THE INDEFINITE FUTURE TO ARRANGE FOR CONSTRUCTION OF A RAIL LINK 130KMS. LONG BETWEEN MOSUL, IRAQ, AND NUSAYBIN, TURKEY. THIS WOULD RESTORE IRAQ'S RAILROAD LINK WITH EUROPE, WHICH WAS SEVERED IN NOVEMBER 1977 WHEN SYRIA CLOSED ITS BORDERS TO TRAINS BOUND FOR IRAQ. COSKUN EXPLAINED THAT THE NEW LINK IS PARTICULARLY IMPORTANT FOR IRAQ BECAUSE BRIDGING THE GAP BY USE OF TURKISH TRUCKS ENTAILS DELAYS.

9. COMMENT: ALTHOUGH TURKEY CONTINUES TO MAKE PROGRESS TOWARD ASSURING THAT IT HAS ACCESS TO FOREIGN OIL SUPPLIES, IT WILL HAVE TO CONTINUE PURCHASING THE BULK OF ITS OIL IMPORTS ON THE SPOT MARKET UNTIL IT CAN ARRANGE CREDITS OR PAYMENTS IN KIND WITH MAJOR SUPPLIERS SUCH AS IRAQ, WHICH SUPPLIED 56 PERCENT OF TURKEY'S CRUDE IMPORTS IN 1977. IN ADDITION TO ITS OBVIOUS DESIRE TO REDUCE EXPENDITURES OF SCARCE FOREIGN EXCHANGE FOR OIL, TURKEY SEEKS A FINANCIAL AND COMMERCIAL AGREEMENT WITH IRAQ FOR THREE REASONS, ACCORDING TO VICE PRESIDENT OF TPAO: TO
1) SAVE PAYING THE PREMIUMS WHICH ARE CURRENTLY NECESSARY FOR SPOT PURCHASES OF CRUDE;
2) RESTORE OPERATION OF THE IRAQ-TURKEY PIPELINE TO FULL CAPACITY IN ORDER TO MAXIMIZE ROYALTY EARNINGS;
3) MINIMIZE THE RISK THAT TURKEY'S ECONOMIC ACTIVITY WILL BE DEPRESSED BY DISRUPTIONS IN ITS OIL SUPPLY, 86 PERCENT OF WHICH IS CURRENTLY IMPORTED.

10. HASAN CEMAL REPORTED FROM BAGHDAD IN LEFTIST CUMHURIYET JULY 25 THAT OUTLOOK FOR TURKISH-IRAQI RELATIONS LOOKS NO MORE PROMISING IN BAGHDAD THAN IT DOES IN ANKARA. UNDER HEADLINE "AN ACRID WIND IS BLOWING IN BAGHDAD AS IN ANKARA", CEMAL WROTE THAT A POLITICAL

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RUEHCR/USINT BAGHDAD 148
RUQMPL/AMCONSUL ISTANBUL 6286
RUFLADA/AMCONSUL IZMIR 110
RUQMRA/AMEMBASSY JIDDA 529
RUQMKW/AMEMBASSY KUWAIT 199
RUEHMO/AMEMBASSY MOSCOW 1139
RUQMTR/AMEMBASSY TEHRAN 5654
RUQMTI/AMEMBASSY TRIPOLI 187
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LIMITED OFFICIAL USE SECTION 3 OF 3 ANKARA 5455

WALL HAS BEEN BUILT BETWEEN ANKARA AND BAGHDAD DUE TO A NUMBER OF OUTSTANDING PROBLEMS BETWEEN THE TWO COUNTRIES: TURKEY'S OIL ARREARS, ITS DIVERSION OF WATER FROM THE TIGRIS AND EUPHRATES RIVERS, LACK OF PROGRESS IN AGREEING TO A RAIL LINK, AND TIR DIFFICULTIES. ACCORDING TO CEMAL, TURKISH MINISTER OF CULTURE AHMET KISLALI WAS SENT TO BAGHDAD RECENTLY TO FIND OUT WHY IRAQ CLOSED DOWN TURKEY'S CULTURAL CENTER IN KIRKUK. HOWEVER, THE ARTICLE DOES NOT SAY WHAT THE EXPLANATION WAS NOR DOES IT MENTION IRAQ'S CURRENT DESIRE FOR TURKISH COOPERATION IN CONTROLLING THE KURDS NEAR THE IRAQ-TURKEY BORDER.

1. IN CONTRAST, TURKISH PRESS OF JULY 26 GAVE AN OPTIMISTIC REPORT. IT SAID THAT ASSISTANT SECRETARY GENERAL OF REPUBLICAN PEOPLE'S PARTY COSKUN KARAGOZOGLU RETURNED FROM A VISIT TO BAGHDAD WITH AN OFFICIAL INVITATION FOR PRIME MINISTER BULENT ECEVIT TO VISIT IRAQ AS A MOVE TOWARD REVITALIZING TURKISH-IRAQI RELATIONS. KARAGOZOGLU, WHO HEADED THE TURKISH DELEGATION TO THE IRAQI REPUBLIC'S TENTH ANNIVERSARY CELEBRATION, WAS QUOTED AS SAYING THAT HE HAD HELD COMPREHENSIVE DISCUSSIONS WITH IRAQI AUTHORITIES, FROM WHICH HE CONCLUDED THAT THE IRAQ REVOLUTIONARY COMMAND COUNCIL HAD DECIDED TO IMPROVE IRAQI RELATIONS WITH TURKEY. HE EXPECTED THAT IRAQ WOULD BE WILLING TO RESCHEDULE TURKEY'S OIL DEBTS AND TO RESUME CRUDE

PUMPING THROUGH THE IRAQ-TURKEY PIPELINE.

12. KARAGOZOGLU'S UPBEAT ANNOUNCEMENT IS ENCOURAGING. HOWEVER, EMBASSY NOTES THAT TURKISH PRESS PREVIOUSLY EXPRESSED HOPE THAT JULY 12-14 CONSULTATIONS WOULD LEAD TO RESUMPTION OF IRAQI OIL SUPPLY THROUGH PIPELINE BY END OF JULY (REF A). EMBASSY CONTINUES TO EXPECT THAT IT MAY TAKE SEVERAL MONTHS FOR IRAQ AND TURKEY TO WORK OUT THEIR FINANCIAL AND COMMERCIAL PROBLEMS. HOWEVER, WE SEE NO REASON TO DOUBT TOPUZCUOGLU'S STATEMENT THAT THE NEXT MOVE IS FOR IRAQ AND TURKEY TO SETTLE ON THE PRICE OF TURKISH EXPORTS. THIS STATEMENT WAS CONFIRMED TO EMBOFF ON JULY 26 BY TURKISH SOIL PRODUCTS OFFICE SALES MANAGER YILDIRIM ALPERGUN, WHO INSISTS THAT TURKEY WOULD HAVE NO DIFFICULTY EXPORTING THE AGREED 400,000 TONS OF WHEAT TO IRAQ VIA LAND AND SEA ROUTES AND THAT TURKEY HAS ADEQUATE WHEAT TO SPARE FOR THIS PURPOSE. DILLON
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INFO RUFLEPA/AMCONSUL ADANA 816Ø
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RUFLAEA/AMCONSUL IZMIR 214
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RUQMKW/AMEMBASSY KUWAIT 2Ø3
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LIMITED OFFICIAL USE ANKARA 6153

E.O. 11652: N/A
TAGS: ENRG, EFIN, IZ, TU
SUBJECT: TURKEY SIGNS ECONOMIC AGREEMENT WITH IRAQ

REF: ANKARA 5455

1. MFA CONFIRMS THAT TURKEY SIGNED AN ECONOMIC AGREEMENT WITH IRAQ TODAY (AUGUST 25, 1978) WHICH ARRANGES FOR IRAQ TO RESUME OIL SHIPMENTS ON CREDIT TO TURKEY IMMEDIATELY AND TO ACCEPT CERTAIN TURKISH EXPORTS AS WELL AS A SCHEDULE FOR TURKEY TO REPAY ITS PEIROLEUM DEBTS. EMBOFF OBTAINED THIS INFORMATION FROM FERAT ATAMAN, ACTING SECTION CHIEF FOR PETROLEUM AFFAIRS IN MFA BILATERAL ECONOMIC RELATIONS DEPARTMENT, WHO PARTICIPATED IN BILATERAL NEGOTIATIONS WHICH TOOK PLACE HERE FROM AUGUST 22 TO 24. ATAMAN SAID THAT TURKEY AND IRAQ ALSO AGREED IN PRINCIPLE TO IMPROVE THEIR BILATERAL POLITICAL RELATIONS, BUT HE DENIED THAT THE AGREEMENT ENTAILS ANY TURKISH COMMITMENTS CONCERNING THE VOLUME OF WATER WHICH TURKEY WILL ALLOW TO FLOW TO IRAQ VIA THE TIGRIS AND EUPHRATES RIVERS.

2. TURKISH RADIO AND TELEVISION (TRT) REPORTS TODAY THAT THE AGREEMENT WILL MAKE IT POSSIBLE FOR TURKEY TO IMPORT A MINIMUM OF 6.2 MILLION TONS OF CRUDE OIL FROM IRAQ BETWEEN NOW AND THE END OF 1979. ACCORDING TO THE TRT, TURKEY'S $32Ø MILLION OF OIL DEBTS TO IRAQ WILL BE REPAID THROUGH TURKISH EXPORTS TO IRAQ OF AGRICULTURAL AND INDUSTRIAL GOODS.

3. THE LOCAL PRESS PROVIDED THE FOLLOWING DETAILS ON AUGUST 24 AND 25. AN IRAQI DELEGATION VISITED ANKARA AUGUST 22 TO 25, HEADED BY IRAQ'S MINISTER OF PETROLEUM PLANNING, ADNAN HUSEYIN HAMADANI, WHO IS ALSO A MEMBER OF IRAQ'S REVOLUTIONARY COMMAND COUNCIL. THE VISIT WAS VERY SUDDEN AND HAD NOT BEEN PREVIOUSLY ARRANGED. THE DELEGATION WAS MET AT THE AIRPORT BY MINISTER OF ENERGY AND NATURAL RESOURCES DENIZ BAYKAL AND CONFERRED LATTER WITH MINISTER OF STATE HIKMET CETIN AND MINISTER OF FOREIGN AFFAIRS GUNDUZ OKCUN.

4. PRESS ACCOUNTS ALSO INDICATE THAT THE IRAQI DELEGATION INCLUDED EXPERTS WHO PARTICIPATED IN TECHNICAL DISCUSSIONS ORGANIZED AMONG THREE COMMITTEES. THESE COMMITTEES DISCUSSED RESPECTIVELY ECONOMIC RELATIONS, AGRICULTURAL COOPERATION, AND SUPPLIES OF PETROLEUM AND WATER.

5. COMMENT. THE GOT BELIEVES THAT IT HAS FINALLY BROKEN THE STALEMATE IN ITS RELATIONS WITH IRAQ AND EXPECTS IRAQI OIL TO START FLOWING AGAIN THROUGH THE KIRKUK-ISKENDERUN PIPELINE BY THE END OF AUGUST. EMBASSY IS SURE THAT IRAQ HAS EXACTED A PRICE FOR THIS CONCESSION; WE DON'T KNOW YET WHAT IT IS. TURKEY HAS REPORTEDLY PROMISED TO BE "UNDERSTANDING" OF IRAQ'S WATER NEEDS. IT SEEMS UNLIKELY THAT THIS LOOSE ASSURANCE WOULD BE SUFFICIENT TO RE-OPEN THE OIL TAPS. EMBASSY WILL ATTEMPT TO OBTAIN FURTHER INFORMATION ABOUT THE AGREEMENT WHICH WILL BE PUBLISHED IN OFFICIAL GAZETTE.

6. FOLLOWING FOOTNOTE MAY BE OF SOME INTEREST, AP CORRESPONDENT IN ANKARA, WHO IS WIFF OF CHIEF ENGINEER OF THE PIPELINE, TOLD EMBOFF WITHIN THE LAST WEEK THAT PIPELINE HAS BEEN PLAGUED WITH TECHNICAL PROBLEMS. HER HUSBAND WAS, IN FACT. IN THE FIELD TRYING TO SOLVE THOSE PROBLEMS. SHE COMMENTED THAT DESPITE FACT THAT BEST MATERIALS WENT INTO CONSTRUCTION OF PIPELINE AND WORK HAS BEEN COMPLETED FOR MORE THAN A YEAR, SMOOTH FUNCTIONING HAS STILL NOT BEEN ACHIEVED. NO OIL HAS BEEN FLOWING THROUGH THE LINE FOR A CONSIDERABLE PERIOD. TURKS, SHE SAID, WERE INSISTING THAT IRAQIS PAY OIL TRANSIT FEE DESPITE FACT THAT NO OIL IS BEING PUMPED. THIS ISSUE WAS UNDOUBTEDLY ALSO A SUBJECT OF DISCUSSION IN THE TALKS.

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RUFLAEA/AMCONSUL IZMIR 225
RUQMRA/AMEMBASSY JIDDA 533
RUQMKW/AMEMBASSY KUWAIT 205
RUEHMO/AMEMBASSY MOSCOW 1148
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RUFHNA/USMISSION USNATO 6055
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LIMITED OFFICIAL USE SECTION 1 OF 2 ANKARA 6247

E.O. 11652 N/A
TAGS: ENRG, IZ, TU
SUBJ: TURKISH-IRAQI ECONOMIC AGREEMENT: II

REFS: (A) ANKARA 6153, (B2 ANKARA 5455,
(C) ANKARA 4638, (D) ANKARA 5123

SUMMARY. IN RETURN FOR TURKEY'S ORAL ASSURANCES THAT IT WILL NOT DEPRIVE IRAQ OF NEEDED WATER AND ITS WRITTEN AGREEMENT TO PAY ITS OIL ARREARS THROUGH EXPORTS OF GOODS AND TO PAY FOR CURRENT OIL PURCHASES IN CASE WITHIN 60 DAYS, IRAQ HAS AGREED TO RESUME ITS POSITION AS TURKEY'S LEADING OIL SUPPLIER THROUGH 1979. AGREEMENT ON HANDLING OF OIL, WATER, AND PAYMENTS PROBLEMS HAS OPENED WAY FOR REVITALIZATION OF TURKISH-IRAQI ECONOMIC AND POLITICAL RELATIONS. CAPPING THIS DEVELOPMENT WILL BE VISIT OF PRIME IMINISTER ECEVIT TO IRAQ, PLANNED TO TAKE PLACE SOMETIME WITHIN THE NEXT COUPLE OF MONTHS. IMPROVED RELATIONS COULD, HOWEVER, FOUNDER IF TURKEY CANNOT MEET THE PAYMENTS ARRANGEMENTS SETTLED UPON. END SUMMARY.

1. IRAQ APPEARS TO HAVE IMPOSED TOUGH TERMS ON THE TURKS IN THE ORAL UNDERSTANDINGS AND WRITTEN AGREEMENT REACHED BETWEEN THE TWO COUNTRIES DURING TALKS IN ANKARA AUGUST 22-25, ACCORDING TO FERHAT ATAMAN, MFA PETROLEUM OFFICER.

2. VERBAL AGREEMENTS. ALTHOUGH THERE IS NOTHING ABOUT IRAQI WATER RIGHTS IN THE WRITTEN AGREEMENT (REF A), GOT GAVE VERBAL ASSURANCES THAT IT WOULD NOT USE DAM IT PLANS TO BUILD AT KARAKAYA IN A WAY THAT COULD HARM IRAQ OR ANY THRID COUNTRY. TURKEY ASSURED IRAQ THAT KARAKAYA WOULD BE USED PRINCIPALLY FOR HYDROELECTRIC POWER GENERATION RATHER THAN FOR IRRIGATION AND WOULD HAVE BENEFICIAL FLOOD-CONTROL EFFECTS ON LOWER EUPHRATES RIVER, AS KEBAN DAM ALREADY DOES. (COMMENT:EMBASSY NOTES THAT MFA SOURCE MAY BE UNDERSTATING EXTENT OF TURKISH COMMITMENT ON WATER, ESPECIALLY SINCE SAME SOURCE, ON AUGUST 25, DENIED TO EMBOFF THAT TURKEY AND IRAQ HAD REACHED ANY AGREEMENT ON WATER (REF A). TURKEY IS GETTING OIL FROM IRAQ ONLY THROUGH 1979 ON THE BASIS OF ITS ASSURANCES REGARDING KARAKAYA. AS A CONDITION OF SUCCESSIVE EXTENSIONS OF THAT DATE, IRAQ MAY ASK FOR SIMILAR COMMITMENTS FOR ONE DAM AFTER ANTOTHER IN THE VAST POWER AND IRRIGATION SYSTEM THAT TURKEY PLANS FOR THE TIGRIS AND EUPHRATES RIVERS. IT COULD BE ECONOMICALLY AND POLITICALLY DIFFICULT FOR TURKEY TO GIVE ADDITIONAL COMMITMENTS.)

3. TURKEY RECEIVED ORAL ASSURANCES THAT IRAQ WOULD PAY ROYALTIES AS THOUGH THE PIPELINE WERE OPERATING AT FULL CAPACITY, REGARDLESS OF WHETHER IRAQ IS ABLE TO MAINTAIN THIS LEVEL OR NOT,

4. WRITTEN AGREEMENT. IN WRITTEN AGREEMENT, GOT GUARANTEED PAYMENT FOR ITS SHARE OF THIS PETROLEUM ON COMMERCIAL TERMS THAT INCLUDE ONLY TWO MONTHS' CREDIT. AGREEMENT DID NOT SPECIFY THE AMOUNT OF IRAQI OIL WHICH TURKEY WOULD IMPORT. MFA SOURCE INDICATED THAT ESTIMATED OF 1.2 MILLION TONS IN 1978 AND 5 MILLION TONS IN 1979, ATTRIBUTED BY PRESS TO TURKISH ENERGY MINISTER DENIZ BAYKAL, MIGHT HAVE BEEN BASED ON A VERBAL UNDERSTANDING (REF A).

5. SOURCE DENIED PRESS ACCOUNTS THAT TURKEY HAD AGREED TO PAY OFF EXISTING OIL DEBTS TO IRAQ (ESTIMATED AT $300 MILLION) BY 1981. HE SAID THAT HE WAS NOT AT LIBERTY TO DISCUSS THE SCHEDULE OF TURKISH DEBT PAYMENTS WHICH HAD BEEN AGREED UPON.

6. ATAMAN SAID THAT THE WRITTEN AGREEMENT ESTABLISHES A SPECIAL PAYMENTS MECHANISM BETWEEN THE TWO COUNTRIES' CENTRAL BANKS UNDER WHICH TURKEY WILL PAY OFF ITS OIL ARREARS TO IRAQ THROUGH THE PROCEEDS FROM ITS EXPORTS. HE EMPHASIZED THAT THIS WAS NOT A BARTER ARRANGEMENT BUT RATHER A PAYMENTS ARRANGEMENT SUCH AS TURKEY HAS WITH ITALY (SIC) AND LIBYA (REF C).

7. TURKEY'S ENERGY MINISTER TOLD A PRESS CONFERENCE AFTER THE AGREEMENT SIGNING CEREMONY ON AUGUST 25 THAT TURKEY WOULD REPAY ITS OIL ARREARS TO IRAQ BY EXPORTS OF WHEAT, PEAS, HOUSEHOLD APPLICANCES, AND BUSES, WHEAT EXPORTS ARE PLANNED TO REACH 400,000 TONS IN 1979 AND 300,000 TONS DURING EACH OF THE FOLLOWING TWO YEARS UNELSS FAVORABLE CROPS MAKE IT POSSIBLE FOR TURKEY TO EXCEED THOSE LEVELS.

8. ECEVIT TO VISIT IRAQ. TURKISH PRESS OF AUGUST 27 REPORTED THAT PRIME MINISTER BULENT ECEVIT MET WITH THE HEAD OF THE IRAQI DELEGATION AND AGREED IN PRINCIPLE TO VISIT IRAQ AT SOME TIME IN THE NEXT COUPLE OF MONTHS. ANOTHER TURKISH VISITOR TO IRAO WILL BE MINISTER OF COMMERCE TEOMAN KOPRULULER, WHO WILL VISIT BAGHDAD SEPTEMBER 29 - OCTOBER 1, FOR THE OPENING OF A TURKISH TRADE EXHIBIT.

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9. COMMENT: THESE AGREEMENTS INDICATE THAT IRAQ IS LIKELY TO RESUME ITS POSITION AS TURKEY'S LEADING OIL SUPPLIER IN 1979 IF TURKEY CAN COME UP WITH ENOUGH FOREIGN EXCHANGE TO PAY FOR OIL IMPORTS WITHIN TWO MONTHS OF THEIR RECEIPT. IRAQ'S RESUMPTION OF PAYMENT TO TURKEY FOR TRANSPORT ROYALTIES AS THOUGH THE PIPELINE WERE OPERATING AT CAPACITY (APPROXIMATELY $45 MILLION PER ANNUM) WILL OFFSET PART OF THESE PETROLEUM COSTS. HOWEVER, IRAQ'S ANNUAL PETROLEUM EXPORTS TO TURKEY ARE UMLIKELY TO RETURN TO THE LEVEL ATTAINED FROM 1974 TO 1977 (6 MILLION TONS), LET ALONE THE 10 MILLION TONS PLANNED FOR 1977-79, UNDER THE TURKISH-IRAQI PIPELINE AGREEMENT OF AUGUST 1973.

10. ON AUGUST 29, TURKEY'S ENERGY MINISTER WAS REPORTED BY TURKISH RADIO AND TELEVISION TO HAVE SAID IN A SPEECH IN IZMIR THAT TURKEY HAS TAKEN CARE OF ITS CRUDE OIL NEEDS THROUGH THE END OF 1979. THIS COMPLACENT APPROACH WAS ALSO TAKEN BY ONE OF TURKEY'S LEADING COLUMNISTS, ABDI IPEKCI, IN PRO-GOVERNMENT MILLIYET OF AUGUST 27. HE EXPLAINED THAT TURKEY WOULD BE ABLE TO OBTAIN THE SAME AMOUNT OF CRUDE OIL IMPORTS IN 1979 AS ARE PLANNED FOR 1978 (12 MILLION TONS) ON THE BASIS OF ITS TRADE AGREEMENTS WITH IRAQ (5 MILLION), LIBYA (3 MILLION), THE USSR (3 MILLION), AND IRAN (1 MILLION). IN EMBASSY'S OPININ, THESE STATEMENTS ARE SOMEWHAT OVER-OPTIMISTIC, THEY OVERLOOK THE FACT THAT IRAN IS THE ONLY OIL SUPPLIER THAT HAS AGREED TO OFFER CREDIT FOR THE ENTIRE AMOUNT OF ITS OIL SHIPMENTS FOR ANY PERIOD LONGER THAN TWO MONTHS. MOREOVER, THE SOVIET UNION HAS ONLY AGREED TO CONSIDER THE TURKISH REQUEST FOR 3 MILLION TONS OF CRUDE IN 1979 AND HAS NOT YET MADE ANY BINDING COMMITMENT TO DELIVER THIS AMOUNT.

11. DESPITE ATAMAN'S DENIAL THAT TURKEY AND IRAQ HAVE ESTABLISHED A BARTER ARRANGEMENT TO SETTLE TURKEY'S EXISTING PETROLUEM DEBTS, HE CONCEDES THAT THE CENTRAL BANKS OF THE TWO COUNTRIES WILL ESTABLISH A PAYMENTS ARRANGEMENT SIMILAR TO THAT WHICH TURKEY ESTABLISHED RECENTLY WITH LIBYA (REF C). CONSEQUENTLY, THE IRAQI-TURKISH PAYMENT ARRANGEMENT MAY BE CONTRARY TO THE OBLIGATION WHICH TURKEY ASSUMED IN ITS IMF LETTER OF INTENT OF MARCH 23, 1978, NOT TO ENTER INTO ANY NEW BILATERAL PAYMENTS ARRANGEMENTS WITH OTHER IMF MEMBERS. INDEED, TURKEY'S ENERGY MINISTER IS REPORTED TO HAVE TOLD A PRESS CONFERENCE ON AUGUST 25 THAT "TURKEY WILL BE ABLE TO PAY OFF ALL OF ITS ARREARS TO IRAQ THGOUGH EXPORTS OF GOODS ON ACCEPTABLE TERMS."

12. NO PRESS RELEASE OR COMMUNIQUE WAS ISSUED AT THE CONCLUSION OF THE TALKS. IT MAY BE SEVERAL MONTHS BEFORE THE WRITTEN AGREEMENT IS PUBLISHED IN THE OFFICAL GAZETTE. IT WILL HAVE TO BE APPROVED BY THE COUNCIL OF MINISTERS BEFORE PUBLICATION. DILLON
BT
#6247

ACTION 2

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NNNNVV ESB045GUA754
RR RUQMER
DE RUQMGU #7080 2771355
ZNY CCCCC ZZH
R 041335Z OCT 79
FM AMEMBASSY ANKARA
TO PUTHC/SECSTATE WASHDC 3498
INFO RUEHDC/USDOC WASHDC
RUFLEPA/AMCONSUL ADANA 8260
RUQMPL/AMCONSUL ISTANBUL 6543
RUFLAEA/AMCONSUL IZMIR 340
RUEHMO/AMEMBASSY MOSCOW 1164
RUQMER/AMEMBASSY TEHRAN 5393
RUQMTI/AMEMBASSY TRIPOLI 188
RUFRCR/USINT BAGHDAD 153
RUMJPG/USLO PEKING 29
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ACTION:
ECON 5
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LIMITED OFFICIAL USE ANKARA 7080

E.O. 11652: NA
TAGS: ETRD, TU
SUBJ: BILATERAL TRADE AGREEMENTS

1. SUMMARY. DIRECTOR GENERAL TRADE AGREEMENT MINISTRY OF COMMERCE TOLD COMATT THAT RECENT SERIES OF BILATERAL AGREEMENTS CONCLUDED BY TURKEY DO NOT REPRESENT ANY BASIC CHANGE IN COUNTRY'S TRADE POLICY BUT REFLECT NEED TO SECURE VITAL IMPORTS, MAILY PETROLEUM, AND GUARANTEE MARKETS FOR EXPORTS. HE DID NOT FORESEE ANY ADDITIONAL AGREEMENTS ALONG THE LINES OF THE RECENTLY CONCLUDED TRADE PACTS WITH OPEC COUNTRIES NOR ESTABLISHMENT OF ADDITIONAL CLEARANCE ACCOUNT TRADE AGREEMENTS. END SUMMARY
2. COMATT CALLED ON MINCOMM DIRECTOR GENERAL FOR AGREEMENTS, ERDOGAN KUCUROGLU, IN MINISTRY OF COMMERCE TO DISCUSS RECENT BILATERAL TRADE AGREEMENTS ENTERED INTO BY TURKIY. SUBSTANTIVE DISCUSSION OPENED WITH PROTOCOL TO CLEARANCE ACCOUNT TRADE AGREEMENT WITH USSR INITIALED SEPTEMBER 29 IN ANKARA. KUCUROGLU SAID THE PROTOCOL IS A CONTINUATION OF THE AGREEMENT IN PLACE (TURKEY'S ONLY OTHER FORMAL CLEARANCE ACCOUNT AGREEMENT IS WITH ALBANIA). TURKEY EXPECTS TO OBTAIN A SIGNIFICANT SHARE OF ITS PETROLEUM SUPPLIES FROM THE SOVIET UNION IN EXCHANGE FOR AGRICULTURAL AND INDUSTRIAL PRODUCTS. HE SAID THAT GOODS TO BE TRADED WOULD BE PRICED AT WORLD MARKET LEVELS APPLYING AT THE TIME OF AGREEMENT.

3. PURSUING THE SUBJECT OF SECURING PETROLEUM SUPPLIES, KUCUROGLU SAID THAT "SPECIAL DEBT CONSOLIDATION AGREEMENTS"

CONCLUDED WITH SEVERAL OPEC COUNTRIES (IRAQ, IRAN, AND LIBYA) NOT ONLY ASSURED TURKEY OF ADEQUATE PETROLEUM SUPPLIES, BUT ALSO GUARANTEED MARKETS FOR TURKEY'S EXPORTS. HE NOTED THAT TURKEY HAS HAD CONSIDERABLE DIFFICULTY IN ESTABLISHING REGULAR MARKETS FOR ITS EXPORTS. GOODS WOULD ALSO BE TRADED AT WORLD PRICES APPLYING AT THE TIME OF AGREEMENTS.

4. KUCUROGLU SIAD THAT TURKEY DOES NOT LIKE THESE SPECIAL BILATERAL TRADE AGREEMENTS BUT UNDER CURRENT CONDITIONS HAS HAD NO ELTERNATIVE. HE DOES NOT EXPECT THE COUNTRY TO ENTER INTO ANY NEW OIL-DEBT-REPAYMENT AGREEMENTS WITH OPEC COUNTRIES OR CLEARANCE ACCOUNT AGREEMENTS. WHEN ASKED WHY, HE RESPONDED OPTIMISTICALLY THAT EXPECTED NEW CREDITS FOLLOWING RECENT ROUND OF DEBT RESCHEDULING WITH MAJOR CREDITOR COUNTRIES WILL ELIMINATE NEED FOR THEM.

5. TURNING TO TRADE PACT WITH THE PEOPLE'S REPUBLIC OF CHINA, KUCUROGLU SAID THE RECENT VISIT BY A CHINESE TRADE MISSION YIELDED A NEW PROTOCOL TO THE FREE-EXCHANGE TRADE AGREEMENT BETWEEN THE TWO COUNTRIES. TRADE TARGETS SET IN THAT PROTOCOL ARE SIMILAR TO THOSE CONTAINED IN MANY OF TURKEY'S 35 AGREEMENTS OF THIS TYPE, I.E. TARGETS DO NOT REPRESENT COMMITMENTS, BUT RATHER DESIRED TRADE LEVELS.

6. COMMENT: KUCUROGLU'S COMMENTS FOLLOWED THE SAME LINE TAKEN BY THE MINISTER OF COMMERCE KOPRULULER WHEN HE TOLD YANKI MAGAZINE RECENTLY THAT TURKEY'S TRADE AGREEMENTS WITH SOCIALIST COUNTRIES DO NOT MEAN A BREAK FROM THE WEST AND THEREFORE THE WEST SHOULD NOT BE CONCERNED. THE MINISTER EMPHASIZED TURKEY HAD ENTERED THESE AGREEMENTS AS A MEANS OF IMPLEMENTING A POLICY OF FINDING NEW MARKETS. HE ALDED THAT AGREEMENTS HAD BEEN MADE WITH MIDDLE EASTERN AND AFRICAN AS WELL AS SOCIALIST COUNTRIES IN KEEPING WITH THIS EFFORT.

7. KUCUROGLU WAS STRAIGHTFORWARD IN DISCUSSING BILATERAL AGREEMENTS, ESPECIALLY THOSE CHARACTERIZED IN THE PRESS AS "BARTER DEALS". HIS COMMENTS WERE AIMED AT FURTHER ASSURING WESTERN COUNTRIES AND THE IMF THAT THESE AGREEMENTS ARE EXPEDIENTS TO MEET URGENT NEEDS. PARTICULARLY NOTEWORTHY WAS HIS STRONG CONVICTION THAT TURKEY WOULD NOT ENTER INTO ANY MORE OF THESE AGREEMENTS.

8. ALTHOUGH THESE AGREEMENTS MAY BE UNDESIRABLE EXPENDIENTS, LACK OF ADDITIONAL CREDIT FROM "FREE MARKET" SOURCES MAY FORCE TURKEY TO ACCEPT MORE OF THEM. CERTAINLY OIL SUPPLYING NATIONS WILL CONTINUE TO INSIST ON GUARANTEED PAYMENT IN CASH OR KIND. AN ADDED DANGER IS THAT TURKEY MAY FIND THESE AGREEMENTS TO BE A BETTER WAY OF ASSURING MAXIMUM EXPORTS, THAN COMPETING ON THE OPEN MARKET.

SPIERS

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OO RUQMHR 1 FEB 79 14 10Z
DE RUQMGU #Ø984 Ø321325 002144
ZNY CCCCC ZZH
O R Ø1122ØZ FEB 79
FM AMEMBASSY ANKARA ACTION:
TO RUEHC/SECSTATE WASHDC IMMEDIATE 5ØØ7 BOL3
INFO RUQMAT/AMEMBASSY ATHENS 8867
RUQMQG/AMEMBASSY WICOSIA 6253 INFO:
RUQMHR/AMEMBASSY TEHRAN 6Ø19 AMB
RUEHMO/AMEMBASSY MOSCOW 1234 DCM
RUEHCR/USINT BAGHDAD 187 ADM
RUFHNA/USMISSION USNATO 6553 ECON2
RUQMPL/AMCONSUL ISTANBUL 7211 PM
RUFLAEA/AMCONSUL IZMIR 819 OR
RUFLEPA/AMCONSUL ADANA 8654 ICA
RUSNAAA/USCINCEUR VAIHINGEN GE CHRON R 8
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BT
C O N F I D E N T I A L ANKARA Ø984

E.O. 12Ø63: GDS 2/1/85 (KUX, DENNIS) OR-P
TAGS: PEPR, IR, TU
SUBJ: (C) GROWING TURKISH CONCERN OVER IRAN
REF: ANKARA Ø9Ø1

1. (CONFIDENTIAL-ENTIRE TEXT)

2. THIS IS A REPORTING MESSAGE: NO ACTION REQUIRED.

3. SUMMARY: TURKISH OFFICIALS AND NEWSMEN IN RECENT DAYS HAVE BEEN EXPRESSING INCREASING CONCERN THAT IRAPIAN DEVELOPMENTS COULD TILT THE STRATEGIC BALANCE IN THE AREA AGAINST THE WEST. NEWS REPORTS OF THE GROWTH OF KURDISH SEPARATISM IN IRAN HAVE ALSO CAUSED ALARM HERE BECAUSE OF THE POTENTIAL FOR POLITICAL SPILLOVER EFFECT INTO TURKEY. IN A "DER SPIEGEL" INTE-VIEW, ECEVIT CRITICIZED THE SHAH FOR FAILING TO MATCH DEMO-CRATIC REFORMS TO ECONOMIC DEVELOPMENT AND EXPRESSED CONCERN AT THE POSSIBILITY OF "RADICAL SHIFTS" IN THE REGION. END SUMMARY.

4. OVER THE PAST SEVERAL MONTHS THE TURKISH GOVERNMENT HAS CAREFULLY AVOIDED COMMENTING ON IRAN EVEN THOUGH TURKISH OFFICIALS HAVE PRIVATELY EXPRESSED DEEP CONCERN WITH THE IMPLICATIONS OF IRANIAN INSTABILITY FOR TURKISH INTERESTS. THE TURKS HAVE NOT FELT THAT THEY HAD A VERY GOOD SENSE OF THE POLITICAL DYNAMICS AT WORK IN IRAN, NOR HAVE THEY BELIEVED THAT THEY COULD INFLUENCE EVENTS IN A POSITIVE DIRECTION EVEN IF THEY CHOSE TO TRY. AS A NEIGHBOR WHO WILL BE OBLIGED TO GET ALONG WITH WHATEVER REGIME WILL EMREGE IN TEHRAN, TURKEY HAS FELT ITS BEST COURSE WAS TO KEEP ITS HEAD DOWN.

5. IN A NUMBER OF RECENT CONVERSATIONS, HOWEVER,WE HAVE DETECTED A GROWING SENSE OF ALARM AMONG HIGH-LEVEL TURKISH OFFICIALS AND POLITICAL LEADERS. AIR FORCE CHIEF OF STAFF GENERAL SAHINKAYA JAN 29 SOUGHT OUT THE POLCOUN AT A PARTY AND ENGAGED HIM IN A LENGTHY DISCUSSION OF IRAN. SAHINKAYA SAID THE IRANIAN SITUATION WAS A "STRATEGIC DISASTER" FOR TURKEY, AND HE PRESONALLY WAS FEARFUL THAT COMMUNISM WOULD WIN OUT. HE SAW IRANIAN DEVELOPMENTS IN TERMS OF THE REGIONAL AND GLOBAL BALANCE OF POWER AND ASKED FORCEFULLY WHAT THE US WAS DOING TO KEEP THE BALANCE FROM TIPPING AWAY FROM THE WEST. JUSTICE PARTY LEADER SENATOR KAMBAN INAN AT LUNCH JAN 3Ø EXPRESSED SIMILAR SENTIMENTS, ARGUING THAT US ACTIONS AND STATEMENTS REGARDING POSSIBLE SOVIED EXPLOITATION OF IRANIAN SITUATION HAD BEEN AMBIGUOUS. HE CONSIDERED THE SITUATION TO BE OF GREAT STRATEGIC IMPORTANCE, AND URGER THAT THE US SHOULD NOT BE OVERLY CONCERNED ABOUT QUESTIONE OF DEMOCRACY AND WARN THE SOVIETS IN BLUNTER TERMS.

6. FOLLOWING PUBLICATION OF PRESS REPORTS JAN 3Ø (REFTEL) ON FORMATION OF A "KURDISTAN UNITY COUNCIL" IN IRAN, SENATOR INAN AND OTHER GUESTS AT LUNCHEOM MENTIONED ABOVE QUESTIONED US CLOSELY ON WHETHER WE HAD CONFIRMATORY INFORMATION. INFLUENTIAL RPP SENATOR MUHSIN BATUR EXPRESSED GREAT CONCERN ABOUT THE POSSIBILITY THAT INDEPENDENT AZERI AND KURDISH STATES MIGHT EMERGE IF IRAN WERE TO BREAK UP, AND THAT SUCH STATES WOULD BE UNDER SOVIET INFLUENCE. DAO HAS ALSO LEARNED THAT FOLLOWING PUBLICATION OF THE "KURDISTAN" PRESS STORIES A MEETING WAS HELD IN THE TURKISH GENERAL STAFF JAN 3Ø TO DISCUSS THE SIGNIFICANCE OF THIS DEVELOPMENT FOR TURKEY.

7. MEANWHILE, IN THE CURRENT ISSUE OF "DER SPIECEL" PRIMIN ECEVIT HAS GONE ON RECORD IN AN UNUSUALLY DETAILED MANNER REGARDING IRANIAN DEVELOPMENTS. ACCORDING TO AN OFFICIAL ENGLISH TRANSLATION RELEASED HERE (WE UNDERSTAND THE MAGAZINE NAY EDIT HIS REMARKS), ECEVIT CRITICIZED THE SHAH FOR ENCOURAGING SOCIAL AND ECONOMIC MODERNIZATION "IN A RATHER DISORDERLY AND A RAPID WAY" WITHOUT AT THE SAME TIME PROMOTING DEMOCRATIC VALUES WHICH WOULD HAVE PREVENTED THE CURRENT INSTABILITY. ECEVIT SAID THAT TURKEY WOULD BE IMMUNE FROM SIMILAR DIFFICULTIES BECAUSE DEMOCRATIC INSTITUTIONS HAD BEEN DEVELOPED CONCURRENTLY, OR EVEN IN ADVANCE OF ECONOMIC CHANGES. ECEVIT OBSERVED THAT THE "OLD ORDER" IN IRAN HAD COME TO AN END, BUT THAT THE INSTITUTIONS FOR CHANDING THE POLITICAL ORDER DID NOT EXIST. POINTING OUT THAT THE MIDDLE EAST WAS A CRITICAL REGION AND THAT DETENTE AND PEACE WERE BASED ON A "PRECARIOUS BALANCE", ECEVIT CONCLUDED THAT "RADICAL SHIFTS" ONE WAY OR THE OTHER WOULD CREATE PROBLEMS NOT ONLY FOR THE REGION BUT FOR THE WHOLE WORLD.

8. COMMENT: JUDGING BY THE LIMITED PRESS COVERAGE HERE, IRAN HAS UNTIL RECENTLY SEEMED A MOE VIVID AND IMPORTANT FOREIGN POLICY PROBLEM FOR AMERICAN THAN FOR TURKS. THIS NOW APPEARS TO BE CHANGING. WE DO NOT EXPECT THAT TURKEY WILL SIGNIFICANTLY ALTER ITS PAST POLICY OF SCRUPULOUSLY AVOIDING EVEN THE APPEARANCE OF INTERFERENCE, BUT ECEVIT'S COMMENTS DO OUTLINE A CLEARERE TURKISH POSITION THAN WE HAVE SEEN UNTIL NOW. ECEVIT APPEARS TO ACCEPT THE DEMISE OF THE MONARCHY (HE HAS LONG BEEN HIGHLY CRITICAL OF THE SHAH IN PRIVATE), ENDORSES A DEMOCRATIC SOLUTION, AND REGISTERS CONCERN OVER THE POSSIBILITY OF WHAT HE CALLS "RADICAL SHIFTS". THOUGH EH DID NOT SPELL WHAT THIS LATTER POINT MIGHT INCLUDE, THE PRIVATE REMARKS OF OTHERS REFLECT TURKISH CONCERNS ABOUT IMPLICATIONS OF A FRAGMENTED IRAN OR THAT COUNTRY'S FALLING UNDER SOVIET INFLUENCE.

DILLON

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FM AMEMBASSY ANKARA 9 FEB 79 15 25Z
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INFO RUQMPL/AMCONSUL ISTANBUL 7272
RUQMHR/AMEMBASSY TEHRAN 6Ø31 ACTION:
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LIMITED OFFICIAL USE SECTION 1 OF 2 ANKARA 1233 POL 2
PM
E.O. 12Ø65: N/A OR
TAGS: ENRG, LY, TU CRU 2
SUBJ: TURKEY'S PETROLEUM SUPPLY SITUATION 89 GAM

REF: ANKARA 1ØØ1

1. ACTION CABLE.

2. SUMMARY: A LOCAL NEWS SERVICE CLAIMS THAT LIBYA IS INSTITUTING A WORLD-WIDE OIL EMBARGO. ALTHOUGH THE STORY SEEMS FAR-FETCHED, IT DOES DRAW ATTENTION TO THE PRECARIOUSNESS OF TURKEY'S OIL SUPPLY. EMBASSY WOULD APPRECIATE ANY INFO CONFIRMING OR DENYING THIS REPORT. END SUMMARY.

3. PRO-GOVERNMENT MILLIYET OF FEBRUARY 9 REPORTED THAT LIBYA HAS HALTED PETROLEUM SALES TO THE ENTIRE WORLD. BASED UPON A REPORT FROM ANKARA OF A LOCAL NEWS SERVICE (ANKA), THE STORY SAID THAT LIBYA MADE THIS DECISION IN ORDER TO SUPPORT KHOMEINI IN IRAN.

4. NEWSPAPER REPORTED THAT LIBYA'S DECISION IS EXPECTED TO AGGRAVATE THE PETROLEUM "CRISIS" FACED BY THE ENTIRE WORLD AS A RESULT OF THE PREVIOUS HALF IN IRANIAN OIL EXPORTS. STORY SAID THAT THE LIBYAN DECISION APPLIES ALSO TO TURKEY, WHICH HAD OBTAINED LIBYAN AGREEMENT DURING 1978 TO SUPPLY THREE MILLION TONS OF CRUDE PETROLEUM TO TURKEY, ONLY 2.4 MILLION TONS OF WHICH HAS BEEN DELIVERED TO DATE.

5. ON FEBRUARY 9, EMBOFF CONTACTED TURKISH PETROLEUM CORPORATION (TPAO) DEPUTY DIRECTOR GENERAL FOR MARKETING (GULTEKIN YUKSEL) FOR COMMENT CONCERNING THIS NEWS REPORT. YUKSEL TOLD EMBOFF THAT HE HAD NO FURTHER INFORMATION THAN HAD APPEARED IN

NEWSPAPERS. HE ADDED THAT TURKEY'S IPRAS REFINERY WHICH HAD CONTRACTED WITH PREGA PETROLEUM MARKETING CORPORATION IN LIBYA TO OBTAIN LIBYAN CRUDE, HAS BEEN ATTEMPTING TO CONTACT PREGA BY TELEX EVER SINCE THE NEWS STORY APPEARED TODAY. PREGA HAD NOT REPLIED OR EVEN ACKNOWLEDGED RECEIPT OF THE TELEXES BUT HE SUGGESTED THAT PREGA MIGHT BE CLOSED BECAUSE TODHTG IS A RELIGIOUS HOLIDAY.

6. EMBOFF ASKED YUKSEL HOW CRITICAL THE SUPPLY PROBLEM WAS FOR IPRAS REFINERY, WHICH WAS YEPORTED TO HAVE ONLY ONE DAY'S STOCK OF CRUDE PETROLEUM IN THE MILLIYET OF FEBRUARY 8. YUKSEL CONFIRMED THE ACCURACY OF THE NEWSPAPER STORY AS OF THE TIME IT WAS WRITTEN, BUT HE ADDED THAT THE REFINERY'S SUPPLY SQUEEZE HAD BEEN RELIEVED BY THE ARRIVAL AT IPRAS OF AN OIL TANKER THE FOLLOWING EVENING (FEBRUARY 8). THE TANKER HAD BROUGHT ENOUGH CRUDE FOR IPRAS TO OPERATE AT CAPACITY FOR ANOTHER SEVEN DAYS.

7. YUKSEL SAID THAT THE ISTANBUL AND BLACK SEA COASOAL REGION SUPPLIED BY IPRAS HAD TEN DAY'S SUPPLY OF FULE OIL AND FOUR OR FIVE DAYS' SUPPLY OF DIESEL FUEL. HE ADDED THAT THERE WAS NO SUPPLY PROBLEM FOR OTHER REFINED PRODUCTS SUCH AS GASOLINE, EXCEPT PERHAPS DISTRIBUTION BOTTLENECKS.

8. EMBOFF ASKED YUKSEL TO COMMENT ON THE PETROLEUM SUPPLY FOR TURKEY AS A WHOLE. HE REPLIED THAT TURKISH REFINERIES WERE "NOT IN A COMFORTABLE POSITION." TURKEY HAD PLANNED TO ACQUIRE TWO MILLION TONS OF PETROLEUM ON THE SPOT MARKET DURING 1979, BUT THIS WAS OBVIOUSLY GOING TO BE VERY DIFFICULT. HOWEVER, HE SAID, TURKEY EXPECTED TO BE ABLE TO KEEP ITS REFINERIES OPERATING MOST OF THE TIME, IF NOT ALWAYS AT CAPACITY LEVELS.
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FM AMEMBASSY ANKARA
TO RUEHC/SECSTATE WASHDC IMMEDIATE 5333
INFO RUQMPL/AMCONSUL ISTANBUL 7273
RUQMHR/AMEMBASSY TEHRAN 6Ø32
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LIMITED OFFICIAL USE SECTION 2 OF 2 ANKARA 1233

OM COMMENT: TURKEY'S PETROLEUM SUPPLY SITUATION IS NOT GOOD, BUT THIS COUNTRY IS USED TO LIVING HAND-O-MOUTH. HOWEVER, TURKEY MIGHT BE HARD PUT TO FIND OIL TO SUBSTITUTE FOR LIBYAN CRUDE IF LIBYA ACTUALLY IS IMPLEMENTING AN EMBARGO ON OIL EXPORTS, AS ANKA NEWS SERVICE REPORTS. SINCE PRIME MINISTER ECEVIT'S TRIP TO LIBYA LAST MONTH, TURKEY HAS BEEN COUNTING ON LIBYA TO SUPPLY FOUR MILLION TONS OF PETROLEUM DURING 1979. IF LIBYA DOES NOT HONOR THIS COMMITEMENT, THEN TURKEY'S ONLY RELIABLE SUPPLY WOULD BE THE FIVE MILLION TONS IT EXPECTS FROM IRAQ DURING 1979, BECAUSE TURKEY'S NEGOTIATIONS TO OBTAIN SOVIET CRUDE SEEM TO BE STALEMATED, AND IT IS UNCERTAIN WHEN IRAN WILL RESUME SUPPLYING TURKEY. CONSEQUENTLY, A LIBYAN EMBARGO COULD FORCE TURKEY TO TURN TO THE SPOT MARKET FOR SIX MILLION TONS OF CRUDE IN ORDER TO MAINTAIN ITS 1978 LEVEL OF IMPORTS (11 MILLION TONS). HOWEVER, MOBIL CONTACT IN ISTANBUL HAS INFORMED CONGENOFFS THAT TURKEY HAS DIFFICULTY FINDING OIL ON THE SPOT MARKET FOR THE FOLLOWING THREE REASONS: (1) SPOT PRICES ARE HIGH BECAUSE SUPPLY IS TIGHT; (2) SPOT SUPPLIERS PREFER TO SELL TO CUSTOMERS W O HAVE USED THE SPOT MARKET FOR LONGER THAN TURKEY, AND (3) SPOT SUPPLIERS ACCUSE TURKEY OF "BOYCOTTING" THE INTERNATIONAL ENERGY AGENCY, THE MEMBERS OF WHICH THEY PREFER TO SUPPLY.

1Ø. THE NEWS STORY ABOUT A LIBYAN OIL EMBARGO SEEMS FAR-FETCHED: IF IT WERE TRUE. QUADDAFI WOULD DOUBTLESS HAVE MADE A MUCH MORE DRAMATIC ANNOUNCEMENT THAN APPEARED ON THE EIGHTH PAGE OF MILLIYET.

11. ACTION REQUESTED: EMBASSY WOULD APPRECIATE CONFIRMATION OR DENIAL OF THIS REPORT.

SPIERS

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RUQMGU/AMEMBASSY ANKARA 0245
RUQMAT/AMEMBASSY ATHENS 1058
RUEHEG/AMEMBASSY CAIRO 2365
RUEHDM/AMEMBASSY DAMASCUS 1604
RUQMOD/AMEMBASSY DOHA 2488
RUQMPL/AMCONSUL ISTANBUL 0059
RUQMRA/AMEMBASSY JIDDA 6229
RUQMQG/AMEMBASSY NICOSIA 0097
RUQMHR/AMEMBASSY TEHRAN 4716
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E.O. 12065: ADS 4/22/81 (BUCK, STEPHEN W.) OR-E
TAGS: EFI
LN EAID, PEPR, TU, KU
SUBJECT: FIRST KUWAIT AID TO TURKEY

REF: ANKARA 2397

1. (C- ENTIRE TEXT).

2. KUWAIT'S OFFICIAL DEVELOPMENT ASSISTANCE AGENCY, THE KUWAIT FUND FOR ARAB ECONOMIC DEVELOPMENT, DESPITE ITS TITLE SINCE 1974 HAS INCREASINGLY PROVIDED ASSISTANCE TO NON-ARAB COUNTRIES. KUWAIT FUND OFFICIALS HAVE MENTIONED TO US IN PAST THE THEY HAD INDICATED TO TURKS THEIR WILLINGNESS TO ENTERTAIN TURKISH REQUESTS FOR DEVELOPMENT ASSISTANCE, BUT TURKS APPARENTLY NEVER PURSUED THIS POSSIBILITY.

3. TURKEY'S PRESENT DIRENTNOMIC SITUATION MUST HAVE CHANGED TURKISH GOVERNMENT ATTITUDE TOWARDS ARAB AID. ON APRIL 21 KUWAIT FUND OFFICIAL, POINTING TO LENGTHY PROJECT DOCUMENT ON HIS DESK, TOLD US THAT HIS FUND'S BOARD OF DIRECTORS RECENTLY APPROVED GRANTING OF 4 MILLION KUWAITI DINAR LOAN (APPROXIMATELY $14.5 MILLION AT CURRENT EXCHANGE RATE) TO APRTIALLY PAY FOR $55 MILLION ELECTRIC POWER PROJECT AT KIKLI ON BOSPHORUS. SIGNATURE OF ACTUAL LOAN AGREEMENT AWAITS FINAL NEGOTIATION WITH TURKISH AUTHORITIES.

4. KUWAIT FUND OFFICIAL ADDED THAT FUND TEAM IS

OW IN ANKARA STUDYING TURKISH REQUEST FOR FINANCINO WATER SUPPLY PROJECT IN ANKARA. AMOUNT OF KUWAITI FUNDING FOR PROJECT HAS NOT YET BEEN DETERMINED.

5. COMMENT: FACT THAT KUWAIT, A MAJOR ARAB AID DONOR, IS ABOUT TO PROVIDE ASSISTANCE TO TURKEY, IS MORE S TNIFICANT THAN ASSISTANCE ITSELF. $14.5 MILLION IS MINISCULE COMPARED TO TURKISH FOREING DEBT BURDEN, WHOSE INTEREST COST ALONE, KUWAIT FUND OFFICIAL ESTIMATED, WAS RUNNING AT C. $60 MILLION PER MONTH. IT IS ENCOURAGING THAT TURKS ARE APPARENTLY MAKING GREATER EF
ORT TO HELP THEMSELVES.
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INFO RUQMAT/AMEMBASSY ATHENS 9331
RUEHEG/AMEMBASSY CAIRO 767
RUEHDM/AMEMBASSY DAMASCUS 447
RUQMQG/AMEMBASSY NICOSIA 6444
RUDKBT/AMEMBASSY RABAT 164
RUQMYA/AMEMBASSY RIYADH 28
RUQMHR/AMEMBASSY TEHRAN 6295
RUEHIV/AMEMBASSY TEL AVIV 1269
RUEHAD/USINT BAGHDAD 228
RUFLEPA/AMCONSUL ADANA 9272
RUQMPL/AMCONSUL ISTANBUL 7836
RUFLAEA/AMCONSUL IZMIR 1265
RUEHDT/USMISSION USUN NY 3773
RUFHNA/USMISSION USNATO 6905
RUSNAAA/USCINCEUR VAIHIGEN GE
RUFRSHH/USDOCOSOUTH NAPLES
C O N F I D E N T I A L SECTION 1 OF 2 ANKARA 3400

E.O. 12065: GDS 5/4/85 (KUX, DENNIS) OR-P.
TAGS: PEPR, PORG, PINT, 57, US, MO
SUBJ: (C) MEETING OF TURKISH MIDDLE EASTERN AMBASSADORS

REF: (A) ANKARA 3287 (NOTAL); (B) ANKARA 3288 (NOTAL)
(C) ANKARA 2397

1. (U) THIS IS A REPORTING MESSAGE; NO ACTION REQUIRED.

2. (C) SUMMARY: THE RECENTLY CONCLUDED CONFERENCE OF TURKISH AMBASSADORS TO ISLAMIC STATES WAS CALLED TO DISCUSS TURKEY'S POLICY IN THE MIDDLE EAST AND THE UPCOMING ISLAMIC FONMINS CONFERENCE IN MOROCCO. PRESS REPORTING INDICATED THAT THE AMBASSADORS RECOMMENDNDE THAT TURKEY SEEK TO EXPAND AND IMPROVE ITS ECONOMIC, COMMERCIAL AND POLITICAL RELATIONS WITH ITS NEIGHBORS. CONCERN WAS ALSO EXPRESSED ABOUT THE FAILURE OF THE IRANIAN REGIME TO ESTABLISH ITS AUTHORITYAND ABOUT THE LOSS OF CONFIDENCE IN THE US BY MODERATE ARAB STATES. AN MFA SOURCE TOLD US THE PRIMARY FOCUS OF THE MEETINGS WAS ON THE KURDISH PROBLEM, END SUMMARY..

3. (U) THE TURKISH MFA HOSTED A THREE-DAY MEETING ZOF ITS AMBASSADORS TO NINE ISLAMIC COUNTRIES (IRAN, IRAQ, SYRIA, AFGAHNISTAN, PAKISTAN, LEBANON, SAUDI ARABIA, KUWAIT, AND EGYPT) ON APRIL 27-29. THE

MEETING, WHICH INCLUDED REPRESENTATIVES FROM ALL MINISTRIES WITH ECONOMIC AND FOREIGN AFFAIRS RESPONSIBILITIES, AS WELL AS CHIEF OF THE TURKISH GENERAL STAFF (TGS), GEN EVREN, AND THE HEAD OF THE TURKISH NATIONAL INTELLIGENCE ORGANIZATION, GEN ERSOZ, WAS REPORTEDLY CALLED TO REVIEW TURKISH FOREIGN POLICY IN THE MIDDLE EAST. SPECIFICALLY, ACCORDING TO PRESS ACCOUNTS, THE AMBASSADORS WERE ASKED TO MAKE RECOMMENDATIONS TO THE GOVERNMENT ON POLICIES TO BE FOLLOWED AT THE UPCOMING ISLAMIC FOREIGN MINISTERS CONFERENCE.

4. (U) PRIME MINSTER ECEVIT'S ADDRESS TO THE AMBASSADORS AND OFFICIALS ON THE SECOND DAY OF THE CONFERENCE, WHICH WAS RELEASED TO THE PRESS, EMPHASIZED TURKEY'S INTEREST IN EXPANDING ITS RELATIONS, COOPERATION AND SOLIDARITY WITH THE REGIONAL COUNTRIES. REFERRING TO HIS PREVIOUS ALLEGATION OF "IMPERIALIST" AND "CAPITALIST" MEDDLING IN THE MIDDLE EAST, THE PRIME MINSTER REPORTEDLY SAID, "THERE ARE THOSE WHO WISHED TO BLOCK THE DEVELOPMENT OF OUR COOPERATION AND DISRUPT OUR (HISTORICAL) CLOSENESS IN THE PAST, AND THIS MAY CONTINUE TO HAPPEN. MOREOVER, SOME WANTED TO CREATE SUSPICIONS AND DISAGREEMENTS AMONG THE COUNTRIES OF THE REGION. WE BELIEVE THAT REGIONAL COUNTRIES CAN OVERCOME SUCH NEGATIVE ATTEMPTS THROUGH THEIR UNITY AND COOPERATION. ONLY THE NATIONS OF THIS REGION CAN BRING HEALTHY SOLUTIONS TO REGIONAL PROBLEMS."

5. (U) IN HIS SPEECH, ECEVIT LAID PARTICULAR STRESS ON THE NEED TO ESTABLISH CLOSER ECONOMIC COOPERATION. HE TOLD THE AMBASSADORS, "ONE CANNOT ESTABLISH A PRIORITY AMONG ECONOMIC AND POLITICAL QUESTIONS. WE ARE OF THE OPINION, HOWEVER, THAT WHEN SOLVING PROBLEMS, TAKING ECONOMIC COOPERATION AS A STARTING POINT GREEATLY FACILITATES THE SOLUTION OF POLITICAL PROBLEMS." IN THIS REGARD, ECEVIT HIGHLIGHTED THE BENEFITS TO ALL PARTIES IF TURKEY'S INDUSTRIAL, AGRICULTURAL NATURAL RESOURCES AND EXPORTABLE LABOR POTENTIAL COULD BE COMBINED WITH THE NATURAL RESOURCES--READ OIL--AND FINANCING POSSIBILITIES OF REGIONAL COUNTRIES.

6. (U) REPORTING ON THE RESULTS OF THE CONFERENCE ON MAY 1 IN PRO-GOVERNMENT MILLIYET, USUALLY WELL-INFORMED DIPLOMATIC CORRESPONDENT NILUFER YALCIN REPORTED SEVEN AREAS OF AGREEMENT AMONG THE AMBASSADORS WHICH REPORTEDLY WOULD BELFORWARDED AS RECOMMENDATIONS TO THE GOVERNMENT. THEY INCLUDED:
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FM AMEMBASSY ANKARA
TO RUEHC/SECSTATE WASHDC IMMEDIATE 6511
INFO RUQMAT/AMEMBASSY ATHENS 9332
RUEHEG/AMEMBASSY CAIRO 768
RUEHDM/AMEMBASSY DAMASCUS 448
RUQMQG/AMEMBASSY NICOSIA 6445
RUDKBT/AMEMBASSY RABAT 165
RUQMYA/AMEMBASSY RIYADH 29
RUQMHR/AMEMBASSY TEHRAN 6094
RUEHTH/AMEMBASSY TEL AVIV 1270
RUEHAD/USINT BAGHDAD 225
RUFLEPA/AMCONSUL ADANA 9073
RUQMPL/AMCONSUL ISTANBUL 7837
RUFLAEA/AMCONSUL IZMIR 1266
RUEHDT/USMISSION USUN NY 3774
RUFHNA/USMISSION USNATO 6906
RUSNAAA/USCINCEUR VAIHINGEN GE
RUFRSHH/USDOCOSOUGH NAPLES
BT
C O N F I D E N T I A L SECTION 2 OF 2 ANKARA 3400

--SUGGESTIONS THAT THE GOT INTENSIFY ITS EFFORTS TO INCREASE ECONOMIC, COMMERCIAL AND TECHNICAL RELATIONS WITH REGIONAL NEIGHBORS. THE AMBASSADORS WERE REPORTEDLY CRITICAL OF TURKEY'S TARDINESS IN EXPLOITING REGIONAL MARKETS.

--THE BELIEFS THAT THE CLIMATE WAS RIPE FOR TURKEY TO ESTABLISH CLOSER RELATIONS WITH A MAJORITY OF MIDDLE EASTERN COUNTRIES.

--THEIR OPINION THAT TURKEY SHOULD AVOID INVOLVEMENT IN DISAGREEMENTS BETWEEN ARAB COUNTRIES AND NOT TAKE SIDES IN THEIR DISPUTES. AT THE SAME TIME, TURKEY SHOULD SUPPORT THE JUST CAUSES OF THE ARABS. FOR THE ISLAMIC FONMIN CONFERENCE, TURKEY SHOULD IMPLEMENT THIS POLICY BY RESISTING A RESORT TO ACTIONS, SICH AS FREEZING ITS RELATIONS WITH EGYPT OR PARTICIPATING IN AN ECONOMIC EMBARGO.

--THE NEED TO INTENSIFY CONTACT WITH SAUDI ARABIA, GIVEN THE SAUDI' POLITICAL DECISION TO EXTEND AID TO TURKEY.

--THE FEELING THAT THE PACE OF OFFICIAL VISITS SHOULD BE STEPPED UP.

--A SUGGESTION THAT TURKEY MUST IMPROVE ITS OWN MEASURES AGAINST SMUGGLING BEFORE LEGAL TRADE WITH ITS IMMEDIATE NEIGHBORS CAN BE REGULARIZED.

--THE REQUIREMENT THAT TURKISH DIPLOMATS ASSIGNED TO THE MIDDLE EAST BE EXPERIENCED AND TRAINED, PARTICULARLY IN ECONOMIC AND COMERCIAL FIELDS.

6. (U) REGARDING THE SITUATION IN IRAN, THE AMBASSADORS EXPRESSED CONCERN ABOUT THE INABILITY OF THE NEW REGIME TO ESTABLISH ITS AUTHORITY, ACCORDING TO MILLIYET. THE AMBASSADORS RECOMMENDED THAT THE GOT FOLLOW DEVELOPMENTS IN IRAN CLOSELY, PARTICULARLY THE EFFORTS OF IRANIAN MINORITIES TO ACQUIRE AUTONOMY. THEY WERE CONCERNED ABOUT THE POSSIBILITY THAT ARMS MIGHT FIND THEIR WAY FROM IRAN TO DISSIDNET GROUPS IN TURKEY.

7. (U) THE AMBASSADORS ALSO REPORTEDLY NOTED THAT BECAUSE OF THE WAVERING ATTITUDE OF THE US TOWARD THE EVENTS IN IRAN WHICH LED TO THE FLL OF THE SHAH, THE MODERATE STATES OF THE MIDDLE EAST HAD THEIR CONFIDENCE IN THE US SHAKEN. THE AMBASSADORS AGREED THAT IF THE CRISIS OF CONFIDENCE GROWS, THE SOVIETS MIGHT MAKE NEW ATTEMPTS TO FILL THE VACUUM LEFT BY THE US. THE REPRESENTATIVES OF THE TGS REPORTEDLY INDICATED PARTICULAR CONCERN ABOUT TH POINT AND SAID THAT THE TGS BELIEVES THAT THE MIDDLE EAST IS ONE OF THE MOST IMPORTANT FIELDS OF STRUGGLE FOR INFLUENCE BETWEEN THE SUPER POWERS AND THAT ONE WILL ATTEMPT TO FILL THE VACUUM LEFT BY THE OTHER.

8. (C) COMMENT: PRIOR TO THE THREE-DAY CONFERENCE IN ANKARA, SEVERAL EDITORIALISTS COMMENTED THAT SIGNIFICANT SHIFT IN TURKISH POLICY TOWARD THE MIDDLE EAST MIGHT RESULT FROM THE MEETING. BASED ON THE YALCIN ARTICLE, WHICH MFA POLITICAL AFFIARS DIRGEN KAMEL TOLD THE WEST GERMAN CHARGE WAS ACCURATE, THIS DID NOT HAPPEN. ECEVIT'S RHETORIC, WHILE CONTINUING TO BE FRIENDLY AND ENCOURAGING THE DEVELOPMENT OF RELATIONS WITH REGIONAL NEIGHBORS,ACTUALLY REPRESENTED A SLIGHT STEP BACK FROM HIS RECENT HARSH DENUNCIATION OF CAPITALIST MEDDLING IN THE REGION (ANKARA 3288). ECEVIT APPEARS TO HAVE BEEN ESPECIALLY ANXIOUS TO APPEAL TO IRAQ AND SAUDI ARABIA, BOTH OF WHICH ARE REGARDED BY THE TURKS AS IMPORTANT POTENTIAL SOURCES OF MUCH-NEEDED PETROLEUM AND FINANCIAL SUPPORT.

9. ACCORDING TO MFA GREECE/CYPRUS DIRECTOR BATU, WHO ATTENDED THE CONFERENCE, TEH QUESTIONS OF TURKEY'S RELATIONS WITH ISRAEL AND HOW TO HANDLE THIS ISSUE DURING THE UPCOMING ISLAMIC FOREIGN MINISTERS CONFERENCE WERE NOT THE MAJOR FOCUS DURING THE MEETING. BATU SAID THAT PRIMARY ATTENTION WAS DIRECTED AT THE NEW SECURITY PROBLEMS FACING TURKEY IN THE WAKE OF THE SHAH'S FALL IN IRAN, IN PARTICULAR THE POTENTIAL THREAT POSED BY KURDISH NATIONALISM AND STEPS TO ADDRESS THIS THREAT TO TURKEY'S NATIONAL INTEGRITY.

SPIERS

BT
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INFO RUFHRS/AMEMBASSY ALGIERS 102
RUEHAM/AMEMBASSY AMMAN 1354
RUEHAD/USINT BAGHDAD 233
RUQMBE/AMEMBASSY BEIRUT 5295
RUEHEG/AMEMBASSY CAIRO 773
RUMJDK/AMEMBASSY DACCA 206
RUEHDM/AMEMBASSY DAMASCUS 451
RUEHJM/AMEMBASSY JERUSALEM 214
RUQMRA/AMEMBASSY JIDDA 571
RUSBLK/AMEMBASSY KABUL 1823
RUQMKM/AMEMBASSY KHARTOUM 85
RUQMKR/AMEMBASSY KUWAIT 236
RUEHDT/USMISSION USUN NY 3779
RUQMQG/AMEMBASSY NICOSIA 6482
RUFNPS/AMEMBASSY PARIS 6453
RUDKBT/AMEMBASSY RABAT 166
RUQMNS/AMEMBASSY SANA 50
RUQMHR/AMEMBASSY TEHRAN 6100
RUQMTI/AMEMBASSY TRIPOLI 216
RUDKKR/AMEMBASSY TUNIS 226
BT
C O N F I D E N T I A L ANKARA 3763

E.O. 12065 GDS 5/17/85 (KUX, DENNIS) OR-0
TAGS: PORG, PEPR, XF, CY, TU
SUBJ: TURKISH DELEGATION VIEW OF TENTY ISLAMIC CONFERENCE

1. (C) ENTIRE TEXT.

2. SUMMARY: A MEMBER OF THE TURKISH DELEGATION TO THE FEZ CONFERENCE EXPRESSED SATISFACTION THAT TURKS HAD BEEN ABLE TO GET A VAVORABLE CYPRUS RESOLUTION WITHOUT HAVING TO COMPROMISE TURISH POSITIONS ON THE MIDDLE EAST. RADICALS HAD NOT PUSHED TURKEY ON QUESTION OF BREAKING TIES WITH ISRAEL, BUT TURKS HAD FELT OBLIGED TO KEEP QUIET ON QUESTION OF EGYPTIAN SUSPENSION. TURKS THOUGHT SAUDIS WERE EXERCISING CONSIDERABLE INFLUENCE WITH PLO, AND THAT IRANIAN DELEGATES WERE OUT OF THEIR DEPTH. END SUMMARY.

3. THE CYPRUS EXPOERT ON THE TURKISH DELEGATION TO THE ISLAMIC CONFERENCE, INAL BATU, TOLD EMBOFF (PECK) THAT TURKS WERE SATISFIED THAT THEY HAD MANAGED TO GET A FAVORABLE CYPURS RESOLUTION WITHOUT SERIOUSLY COMPROMISING TURKEY'S MODERATE POLICIES ON MIDDLE EAST ISSUES. IN ADVANCE CONSULTATIONS AND IN THE OPENING STAGES OF THE CONFERENCE, THE TURKS HAD WARNED PARTICIPANTS THAT THEY COULD NOT BE PRESSURED INTO BREAKING DIPLOMATIC RELATIONS WITH ISRAEL. BATU SAID THE TURKS HAD THREATENED TO WALK OUT OF THE CONFERENCE IF TURKEY WAS SINGLED OUT FOR SPECIFIC CRITICHM AS THE ONLY REMAINING ISLAMIC COUNTRY WITH DIPLOMATIC TIES WITH ISRAEL. BATU CREDITS THIS STRONG STAND WITH DEFUSING THE ISSUE, AND CLAIMED THAT TURKEY WAS NOT SUBJECTED TO SERIOUS PRESSURE FROM THE RADICAOS ON THIS SCORE.

4. HAVING WON THIS POINT, HOWEVER, THE TURKS FELT THAT THEY HAD TO ACCOMMODATE THE RADICALS ON THE QUESTION OF EGYPTIAN SUSPENSION, IN ORDER TO GAIN A VAVORABLE RESOLUTION IN CYPRUS, THEREFORE TURKEY HAD NOT OPPOSED CONSENSUS ON EGYPTIAN SUSPENSION, AND HAD JUST "KEPT ITS HEAD DOWN."

5. TURKEY WAS VERY PLEASED WITH THE CYPRUS RESOLUTION ADOPTED BY THE CONFERENCE. TURKEY'S FIRST DRAFT HAD BEEN BLOOFED IN COMMITTEE, BUT THE TURKS HAD MANAGED TO GET THEIR "FALLBACK POSITION" PASSED BY CONSENSUS IN PLENARY. ONLY ALGERIA AND SOUTH YEMEN HAD REGISTERED FORMAL OBJECTIONS. THE ALGERIANS HAD BEEN VERY ACTIVE IN WORKING AGAINST A RESOLUTION FAVORABLE TO THE TURKISH POSITION, BUT TURKEY RECEIVED IMPORTANT HELP FROM THE PAKISTANIS, THE BANGLADESHIS, AND THE SAUDIS. BATU THOUGHT THE SAUDIS HAD BEEN HELPFUL IN CONTAINING THE PLS, WHICH HAD NOT VIGOROUSLY OPPOSED THE TURKISH POSITION.

6. BATU SAID THE FINAL CYPRUS RESOLUTION FOLLOWED CLOSELY THOSE OF PREVIOUS ISLAMIC CONFERENCES, WITH THE EXCEPTION OF TWO NEW PARAGRAPHS AT THE END (TEXT POUCHED TO INR/DDR/RWE). FINAL TWO PARAGRAPHS READ AS FOLLOWS:
-- INVITES THE TWO COMMUNITIES TO ACCEDE TO A "TRUCE" CONDUCIVE TO THE PEACEFUL SETTLEMENT OF THE DISPUTE THROUGH INTERCOMMUNAL NEGOTIATIONS; AND
-- CALLS UPON THE MEMBER STATES OF THE ISLAMIC CONFERENCE TO USE THEIR GOOD OFFICES AND TO DO EVERYTHING IN THEIR POWER SO AS TO ENABLE THE MUSLIM TURKISH CYPRIOT COMMUNITY TO BENEFIT FROM INTERNATIONAL AID AND ASSISTANCE, AND TO EXTEND TO THEM THE NECESSARY SUPPORT FOR THE RE-ACTIVATION OF THEIR ECONOMY, HAMPERED BY THE ECONOMIC BLOCKADE CURRENTLY BEING IMPOSED ON THEM.

7. IN A MORE GENERAL VEIN, BATU SAID TURKISH DELEGATES HAD THOUGHT THE SAUDIS WERE EXERCISING CONSIDERABLE INFLUENCE OVER THE PLO, AND THAT THIS HAD BEEN AN IMPORTANT FACTOR IN ASSURING A GOOD OUTCOME FOR TURKEY. BATU SAID THE IRANIAN DELEGATION HAD PLAYED LITTLE OR NO PART IN THE PROCEEDINGS. AT LEAST AS FAR AS THE TURKS COULD TELL. THE IRANIANS HAD ARRIVED LATE (HE THOUGHT ON THE THIRD DAY) AND SPOKE NO WESTERN LANGUAGE, WHICH PREVENTED CONTACT WITH NON-ARAB DELEGATIONS. (THEY APPARENTLY DID SPEAK ARABIC.) BATU SAID THE CONTRAST WITH THE SARTORIALLY-SPLENDID AND DIPLOMATICALLY-POLISHED DELEGATES PREVIOUSLY FIELDED BY IRAN COULD NOT HAVE BEEN GREATER. THE IRANIANS WERE DRESSED LIKE "AYATOLLAHS" AND SEEMED TIMID AND UNSURE OF WHAT WAS EXPECTED OF THEM.
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FM AMEMBASSY ANKARA
TO RUEHC/SECSTATE WASHDC IMMEDIATE 69Ø6
INFO RUQMHR/AMEMBASSY TEHRAN 61Ø7
BT
C O N F I D E N T I A L ANKARA 4197

E.O. 12Ø65: GDS-4 6/4/85 (DILLON, ROBERT S.) OR-M
TAGS: CVIS, IR, TU, US
SUBJECT: (C) ENTRANCE INTO UNITED STATES FOR FORMER IRANIAN MINISTERIOR HASAN ZAHEDI

1. (C -ENTIRE TEXT). ACTION CABLE.

2. FONMIN OXCUN CALLED AMB SPIERS TO FONMINISTRY THIS MORNING TO ASK USG COOPERATION IN MOVING WITHOUT PUBLICITY FORMER IRANIAN MININTERIOR HASAN ZAHEDI OUT OF TURKEY TO THE UNITED STATES WHERE HE HAS A DAUGHTER. ACCORDING TO OKCUN, ZAHEDI ARRIVED "IN DISGUISE" FOUR DAYS AGO AND IS NOW IN HIDING. OKCUN WILL BE VISITING IRAN JUNE 9 AND WANTS TO BE ABLE TO SAY THAT ZAHEDI IS NOT IN TURKEY AT THAT TIME. ACCORDING TO OKCUN. ZAHEDI HAS IRANIAN DIPLOMATIC PASSPORT WITH US VISITOR'S VISA GOOD UNTIL 1981. IF NECESSARY, HE ADDED, GOT COULD GIVE ZAHEDI A TRAVEL DOCUMENT.

3. AMBASSADOR TOLD OKCUN HE WOULD HAVE TO SEEK WASHINGTON INSTRUCTIONS AND BE BACK TO HIM. AFTER TALKING SITUATION OVER HERE. OUR PREFERRED SOLUTION IS TO TELL OKCUN THAT WITH PASSPORT AND VISA, ZAHEDI WILL HAVE NO TROUBLE ENTERING US AND GOT SHOULD GET HIM ON PLANE AS SOON AS POSSIBLE. IF DEPARTMENT DOES NOT INSTRUCT OTHERWISE. WE WILL DO THIS TOMORROW.
SPIERS

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FM AMEMBASSY ANKARA
TO RUEHC/SECSTATE WASHDC IMMEDIATE 7081
INFO RUFLEPA/AMCONSUL ADANA 9244
RUQMPL/AMCONSUL ISTANBUL 8121
RUFLARA/AMCONSUL IZMIR 1451
RUQMFR/AMEMBASSY TEHRAN 6111
BT
C O N F I D E N T I A L

LIMITED OFFICIAL USE ANKARA 4538

REF A) ANKARA 4271 B) ANKARA 3316

1. THIS IS AN INFORMATION CABLE.
2. SUMMARY. DURING A THREE-DAY VISIT TO IRAN, THE TURKISH FOREIGN MINISTER DISCUSSED ECONOMIC, COMMERCIAL, AND TECHNICAL COOPERATION. THE JOINT TURKISH-IRANIAN COMMUNIQUE ISSUED ON JUNE 12 (AFTER OKCUN'S RETURN TO ANKARA) CLAIMS THAT CONCRETE RESULTS WERE ACHIEVED. ACCORDING TO THE TURKS, THE CHIEF RESULT WAS A 60 PERCENT INCREASE IN THE AMOUNT OF CRUDE OIL WHICH IRAN HAS AGREED TO SUPPLY TO TURKEY DURING 1979. IF IRAN FULFILLS THIS COMMITMENT, IT WOULD RESUME SUPPLYING 10 PERCENT OF TURKEY'S OIL IMPORTS, AS IT DID UNTIL 1978. END SUMMARY.
2. ON JULY 11, TURKISH FOREIGN MINISTER GUNDUZ OKCUN TOLD A PRESS CONFERENCE IN TEHRAN THAT IRAN HAS AGREED TO INCREASE ITS 1979 OIL SHIPMENTS TO TURKEY ABOVE THE LEVELS ESTABLISHED IN LATE MAY (PARA 3 REF A) AND TO CONSIDER FURTHER INCREASES IN 1980 SHIPMENTS, ACCORDING TO TURKISH PRESS. MINISTRY OF FOREIGN AFFAIRS SECTION CHIEF FOR PETROLEUM AFFAIRS OMER ZEYTINOGLU CONFIRMED REPORT TO EMBOFF AND ADDED THAT IRAN WILL INCREASE 1979 CRUDE OIL SHIPMENTS 60 PERCENT (BY 300,000 TONS) ABOVE THE LEVEL AGREED TO IN MAY, INCREASE FUEL OIL SHIPMENTS 50 PERCENT (BY 100,000 TONS) ABOVE THE MAY LEVEL, AND PROVIDE HITHERTO UNSCHEDULED DELIVERIES OF LPG AND AIRPLANE FUEL. CONSEQUENTLY, TOTAL IRANIAN OIL EXPORTS TO TURKEY (IN METRIC TONS) ARE EXPECTED TO BE AS FOLLOWS:

	1979	1980
CRUDE OIL	900,000	5,000,000
FUEL OIL	300,000	500,000
LPG	32,000	50,000
AIRPLANE FUEL	5,000	10,000

3. OKCUN TOLD THE PRESS THAT DURING HIS THREE-DAY VISIT TO IRAN, HE HAD REACHED A "CONCRETE AGREEMENT" WITH THE PRESIDENT OF THE NATIONAL IRANIAN OIL COMPANY, HASAN NESIH, CONCERNING

* U.S. GOVERNMENT PRINTING OFFICE: 1976-256-344

THE 1979 OIL SHIPMENTS. THE FOREIGN MINISTER SAID THAT HE EXPECTS A TURKISH DELEGATION TO VISIT TEHRAN IN EARLY JULY TO IMPLEMENT THE AGREEMENT SO THAT IRAN MAY BEGIN SUPPLYING TURKEY BY EARLY AUGUST.
4. TURKEY ANTICIPATES NORMAL OPEC PAYMENT TERMS FOR THESE OIL PURCHASES, I.E., PAYMENT OF THE FULL PRICE ($CU PER BARREL) WITHIN 45 DAYS FROM DELIVERY. HOWEVER, OKCUN TOLD THE PRESS THAT PAYMENT ARRANGEMENTS HAD NOT BEEN COMPLETELY WORKED OUT.
5. IRAN REQUESTED THAT TURKEY EXPORT WHEAT, MEAT, LIVESTOCK, EGGS, AND CHEESE UNDER A LONG-TERM TRADE AGREEMENT. THE TURKISH SIDE AGREED TO EXPORT 50,000 TONS OF WHEAT FROM THE 1979 CROP AND TO INVESTIGATE THE POSSIBILITIES FOR OTHER EXPORTS. IT WAS ALSO AGREED TO ENCOURAGE BOTH PRIVATE AND PUBLIC SECTOR FIRMS IN BOTH COUNTRIES TO CONTACT EACH OTHER DIRECTLY FOR COMMERCIAL PURPOSES.
6. THE TURKISH DELEGATION PROPOSED A COMMERCIAL AND TECHNICAL FRAMEWORK AGREEMENT AND A CULTURAL AGREEMENT. UNPREPARED TO SIGN SUCH COMPREHENSIVE AGREEMENTS, THE IRANIAN SIDE TOOK THEM UNDER ADVISEMENT. OKCUN TOLD THE PRESS THAT THE TURKISH SIDE HAD AGREED TO INVESTIGATE THE FEASIBILITY OF A SPECIFIC PROJECT: CONSTRUCTION OF OIL AND NATURAL GAS PIPELINES FROM IRAN TO THE BLACK SEA OR THE MEDITERRANEAN.
7. A JOINT TURKISH-IRANIAN PRESS RELEASE WAS ISSUED SIMULTANEOUSLY IN BOTH COUNTRIES ON JUNE 12, HAILING THE INAUGURATION OF A NEW ERA IN TURKISH-IRANIAN RELATIONS. WHILE CONCEDING THAT THE BASIS FOR ECONOMIC COOPERATION WAS YET TO BE DECIDED, THE PRESS STATEMENT SAID THAT "CONCRETE RESULTS WERE REACHED IN THE MEETING, WHICH WAS DOMINATED BY AN ATMOSPHERE OF UNDERSTANDING AND A SPIRIT OF ISLAMIC BROTHERHOOD."
8. COMMENT. THE TURKISH FOREIGN MINISTER'S VISIT TO IRAN WAS MORE SUCCESSFUL THAN HIS TOUR OF IRAQ, SAUDI ARABIA, AND THE UAE IN EARLY MAY (REF B, PARA 12). NOT ONLY DID OKCUN ESTABLISH THE GROUNDWORK FOR CLOSER ECONOMIC RELATIONS, AS ON HIS MIDDLE EAST TOUR, BUT HE ALSO STARTED BUILDING THE SUPERSTRUCTURE. HE ADVANCED TURKEY'S PRINCIPAL OBJECTIVE OF PERSUADING IRAN TO RESUME SUPPLYING OIL TO TURKEY AS SOON AS POSSIBLE. IF IRAN IS ABLE TO CARRY OUT ITS COMMITMENT DURING 1979, IT WOULD AGAIN ACCOUNT FOR ABOUT 10 PERCENT OF TURKEY'S IMPORTS OF CRUDE OIL AND REFINED PRODUCTS. ZEYTINOGLU EXPRESSED SKEPTICISM THAT IRAN WOULD COMPLY WITH THE TURKISH REQUEST TO SUPPLY 5 MILLION TONS OF CRUDE OIL TO TURKEY IN 1980. HOWEVER, HE POINTED OUT THAT TURKEY WOULD NOT NEED TO RELY ON SOVIET CRUDE IN 1980 IF IRAN SUPPLIED TURKEY WITH 3 MILLION TONS THAT YEAR, ASSUMING THAT IRAQ AND LIBYA FULFILL THEIR CONTRACTS TO SUPPLY TURKEY WITH FIVE MILLION AND THREE MILLION TONS, RESPECTIVELY.
9. IF DEEDS FOLLOW THE WARM WORDS, TURKISH-IRANIAN ECONOMIC RELATIONS WOULD RESUME AT THE STAGE WHERE THEY LEFT OFF IN 1978.

THERE IS CERTAINLY THE POTENTIAL FOR INCREASED COMMERCIAL, ECONOMIC, AND TECHNICAL COOPERATION BETWEEN THE TWO NEIGHBORS BUT IT HAS YET TO BE SEEN WHETHER THE IRANIAN REVOLUTION WILL PERMIT THIS POTENTIAL TO BE FULFILLED. END COMMENT.
10. WE ARE SEEKING FURTHER FILL-IN FROM THE TURKISH PARTICIPANTS IN THE VISIT AND WILL BE REPORTING THIS WHEN RECEIVED. SPIERS
BT
#4538

U.S. GOVERNMENT PRINTING OFFICE: 1979 289-344

NNNNJHXVV ESA369GUA953
PP RUQMHR
DE RUQMGU #4647/1 1701430
ZNY CCCCC ZZH
P R 191425Z JUN 79
FM AMEMBASSY ANKARA
TO RUEHC/SECSTATE WASHDC PRIORITY 7136
INFO RUQMAT/AMEMBASSY ATHENS 9525
RUSBLK/AMEMBASSY KABUL 1826
RUEHMO/AMEMBASSY MOSCOW 1368
RUQMHR/AMEMBASSY TEHRAN 6112
RUEHAD/USINT BAGHDAD 236
RUFLEPA/AMCONSUL ADANA 9260
RUQMPL/AMCONSUL ISTANBUL 8144
RUFLAEA/AMCONSUL IZMIR 1468
RUFHNA/USMISSION USNATO 8054
BT
C O N F I D E N T I A L SECTION 1 OF 2 ANKARA 4647

19 Jun 79 17 [illegible] 2

POL
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LIMDIS

E.O. 12065 GDS 6/19/85 (SPIERS, RONALD) OR-M
TAGS: PEPR, TU, IR, IQ
SUBJ: (C) VISIT OF TURKISH FOREIGN MINISTER TO IRAN.

1. C--ENTIRE TEXT. THIS IS AN INFORMATION MESSAGE.

2. SUMMARY: FOREIGN MINISTER OKCUN BELIEVES THAT A "GOOD DIALOGUE" HAS BEEN STARTED WITH THE REVOLUTIONARY IRANIAN REGIME. THERE WAS AGREEMENT IN PRINCIPLE ON EXPANDING ECONOMIC AND TECHNICAL COOPERATION, BUT FEW SPECIFICS. OKCUN FOUND THE IRANIANS INCLINED TO BETTER RELATIONS WITH THE US, BUT SUSPICIOUS. THEY WERE DOWN ON THE SOVIETS AND ISRAELIS. THERE WAS NO INTEREST IN THE RCD AND MORAL SUPPORT FOR THE AFGHAN REBEOS. END SUMMARY.

3. AT AMBASSADOR'S REQUEST, FONMIN OKCUN PROVIDED AN EXTENSIVE FILL-IN ON HIS JUNE 9-11 VISIT TO TEHRAN. FONMIN SAID THAT THE PRINCIPAL PRUPOSE OF "STARTING A GOOD DIALOGUE" WITH REVOLUTIONARY IRANIAN REGIME HAD BEEN ACEHIVED AND THE BASIS LAID FOR BROADER ECONOMIC/ TECHNICAL COOPERATION. THE IRANIANS APPEARED TO RECIPROCATE TURKEY'S POLITICAL WILL FOR CLOSER COOPERATION. HOWEVER, OKCUN FOUND IT HARD TO SAY HOW THINS WOULD DEVELOP AS THE IRANIANS APPEARED UNREADY TO FOCUS ON SPECIFICS, SUCH AS ESTABLISHING A JOINT COMMISSION. THEIR PRIMARY CONCERN REMAINED INTERNAL RATHER THAN EXTERNAL AFFIAIRS. WHILE THE IRANIANS ACTED AS IF THEY HAD FULL CONTROL, OKCUN WAS SKEPTICAL.

4. DURING HIS STAY, DEPPRIMIN AND FONMIN YAZDI ACTED AS PRINCIPAL HOST AND WAS WITH HIM FOR THE BETTER PART OF ONE AND ONE-HALF DAYS. IN ADDITION, THE FONMIN MET FOR ABOUT 40 MINUTES WITH PRIMIN BAZARGAN AND FOR ONE AND ONE-HALF HOURS WITH AYATOLLAH KHOMEINI. THERE WAS ALSO A PLENARY MEETING WITH A NUMBER OF MINISTERS, INCLUDING THE HEAD OF THE NATIONAL IRANIAN OIL CO.

5. OKCUN'S IMPRESSIONS:

-- KHOMEINI: A TOUGH-MINDED ISLAMIC REVOLUTIONARY WHO APPEARED TO MAKE NO CONCESSIONS TO OTHER IDEOLOGIES. KHOMEINI REMINDED OKCUN OF ARCHBISHOP MAKARIOS. HE APPEARED STRONGLY OPPOSED TO THE WEST FOR CULTURAL AND RELIGIOUS REASONS. THE SESSION WITH AYATOLLAH WAS UNUSUAL IN THAT TV AND NEWSMEN WERE PRESENT THROUGHOUT.

-- YAZDI: YAZDI HANDLED HIMSELF WELL. HIS APPROACH WAS "MODERN" BUT HAD STRONG UNDERTONES OF ISLAMIC IDEOLOGY. FOR THE MOMENT HE WAS THE LINK BETWEEN KHOMEINI AND THE BAZARGAN GOVERNMENT, AND RELATIONS WITH THE PRIMIN SEEMED FRIENDLY. IT WAS UNCLEAR, HOWEVER, WHAT THE FUTURE WOULD BRING. OKCUN THOUGHT YAZDI WAS NOT ANTI-WESTERN AND WAS INTERESTED IN BETTER RELATIONS WITH THE US. (OKCUN'S AIDE, OYMEN, QUESTIONED THE MINISTER'S OPINION ON THIS POINT.)

-- BAZARGAN: AN ABLE ELDER STATESMAN WHO FAVORED COOPERATION WITH TURKEY, BAZARGAN WAS GLAD THAT A DIALOGUE HAD STARTED. HIS APPROACH SEEMED MORE SECULAR THAN THAT OF YAZDI.

-- SHARIAT MADARI: OKCUN'S FAVORITE AMONG THE IRANIANS. HE FOUND THE TURKISH-ORIGIN AYATOLLAH MORE DEMOCRATIC AND HUMANISTIC THAN KHOMEINI AND MORE INTERSTED IN BETTER RELATIONS BETWEEN THE TWO AYATOLLAHS WERE POOR AND THAT THEY WERE QUARRELLING ON CONSTITUTIONAL QUESTIONS.

6. SUBSTANTIVE ISSUES.

-- RELATIONS WITH THE US: OKCUN HAD THE IMPRESSION THAT THE IRANIANS WANTED TO ESTABLISH GOOD RELATIONS WITH THE US, BUT WERE TERRIBLY SENSITIVE OVER MATTERS SUCH AS THE SENATE'S CRITICISM OF HUMAN RIGHTS. OKCUN URGED THE US TO PROCEED CAUTIONSULY IN A LOW KEY, TRYING TO ASSURE THE IRANIANS THAT COOPERATION WAS IN THEIR INTEREST. IN THIS CONTEXT, HE HOPED THAT WE WOULD BE WILLING TO NAME A NEW ENVOY TO TEHRAN. THE AMBASSADOR NOTED THAT THE IRANIAN REFUSAL OF AMBASSADOR-DESIGNATE CUTLER, AFTER FIRST HAVING GRANTED AGREEMENT, WAS THE TYPE OF ACTION WASHINGTON FOUND HARD TO SWALLOW. MOREOVER, THE AMBASSADOR SAID THE CARTER ADMINISTRATION HAD EXERCISED CONSIDERABLE RESTRAINT IN ITS COMMENTS ON HUMAN RIGHTS IN REVOLUTIONARY IRAN, ALTHOUGH IT HAD CRITICIZED THE SHAH'S GOVERNMENT ON HUMAN RIGHTS ISSUES.

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#4647

* U.S. GOVERNMENT PRINTING OFFICE: 1977—225-323

NNNNVV ESP024GWA954
PP RUQMER
DE RUQMGU #4647/2 1701450
ZNY CCCCC ZZH
P R 1914252 JUN 79
FM AMEMBASSY ANKARA
TO RUEHC/SECSTATE WASHDC PRIORITY 7137
INFO RUOMAT/AMEMBASSY ATHENS 9526
RUSBLK/AMEMBASSY KABUL 1627
RUEHMO/AMEMBASSY MOSCOW 1369
RUQMER/AMEMBASSY TEHRAN 6113
RUEHAD/USINT BAGHDAD 237
RUELAD/AMCONSUL ADANA 9261
RUQMPL/AMCONSUL ISTANBUL 3145
RUELAB/AMCONSUL IZMIR 1469
RUEHNA/USMISSION USNATO 8855
BT
C O N F I D E N T I A L SECTION 2 OF 2 ANKARA 4647

LIMDIS

-- RELATIONS WITH THE RUSSIANS: OKCUN SENSED THAT THE IRANIANS WERE NOT WELL INCLINED TOWARD THE SOVIETS. ONE POINT OF CONTENTION WAS THE WIDESPREAD BELIEF THAT THE SOVIETS WERE ASSISTING DISSIDENT GROUPS. IN CONTRAST, OKCUN NOTED THAT THE IRANIANS TOLD HIM THEY DID NOT BELIEVE THAT THEUS WAS CURRENTLY ENGAGED IN THIS TYPE OF INTERFERENCE.

-- ISRAEL: THE HARSHEST ATTITUDE WAS AGAINST ISRAEL. FEELINGS WERE STRONG, AND IRANIANS BELIEVED THAT THE ISRAELIS WERE COLLUDING WITH REMNANTS OF SAVAK TO STIR TROUBLE AMONG DISSIDENT GROUPS.

-- IRAQ: THE IRANIANS COULD NOT UNDERSTAND THE IRAQI POSITION, ESPECIALLY ON KHUZESTAN WHERE THE IRAQIS WERE BELIEVED TO BE ASSISTING DISSIDENTS.

-- AFFGANISTAN: THE IRANIANS SHOWED AT LEAST "MORAL SOLIDARITY" WITH THE AFGHAN ISLAMIC REBELS. THE IRANIANS SAW THE TARAKI GOVERNMENT IN DIFFICULT STRAITS.

-- RCD: OKCUN FOUND THE IRANIANS NOT REPEAT NOT IN FAVOR OF USING THIS ORGANIZATION AS A VEHICLE TO PROMOTE REGIONAL COOPERATION. INSTEAD, THE IRANIANS WANTED TO DEAL BILATERALLY.

-- NEW ENVOY FOR TURKEY: THE IRNIANS WERE PLANNING TO ASSIGN A NEW CHARGE D'AFFAIRES TO ANKARA AND

A NEW CONSUL GENERAL TO ISTANBUL. OKCUN DID NOT EXPLAIN WHY THEY WERE SENDING A CHARGE RATHER THAN AN AMBASSADOR HERE.

-- OIL: OKCUN SAID HE WAS "SATISFIED" WITH DISCUSSIONS ON OIL SUPPLY, ADDING THAT 1983 MIGHT SHOW EXPANDED TRADE IN OIL AND OTHER PRODUCTS. (ANKARA 4538)

7. COMMENTS: OKCUN'S PRIVATE IMPRESSIONS ARE LESS GLOWING THAN THE EXTREMELY POSITIVE PRESS REPORTING ABOUT HIS VISIT TO IRAN. THE DEVIT GOVERNMENT CLEARLY IS TRYING TO MAKE THE BEST OF A DIFFICULT SITUATION WITH THE NEW REVOLUTIONARY GOVERNMENT. TIME WILL TELL HOW MUCH SUBSTANCE FOLLOWS THE NICE SOUNDING WORDS ABOUT ECONOMIC AND TECHNICAL COOPERATION. SPIERS
BT
#4647

* U.S. GOVERNMENT PRINTING OFFICE 1977—225-323

VV ESA346GUA509

30 Jul 79 16 28z

PP RUQMHR
DE RUQMGU #5621/1 2110940
ZNY CCCCC ZZH
P R 300922Z JUL 79
FM AMEMBASSY ANKARA
TO RUEHC/SECSTATE WASHDC PRIORITY 7659
INFO RUQMAT/AMEMBASSY ATHENS 9701
RUFHOL/AMEMBASSY BONN 2866
RUFHBS/AMEMBASSY BRUSSELS 2707
RUDIC/AMEMBASSY LONDON 6469
RUEHMO/AMEMBASSY MOSCOW 1418
RUQMQG/AMEMBASSY NICOSIA 6644
RUEHDM/AMEMBASSY DAMASCUS 488
RUFNPS/AMEMBASSY PARIS 6663
RUQMHR/AMEMBASSY TEHRAN 6126
RUFLEPA/AMCONSUL ADANA 9394
RUEHAD/USINT BAGHDAD 271
RUQMPL/AMCONSUL ISTANBUL 8341
RUFLAEA/AMCONSUL IZMIR 1615
RUFHNA/USMISSION USNATO 8199
RUEHDT/USMISSION USUN NY 3826
RUSNAAA/USCINCEUR VAIHINGEN GE
RUFRSHH/USDOCOSOUTH NAPLES IT
BT
C O N F I D E N T I A L SECTION 1 OF 2 ANKARA 5621

BRUSSELS FOR EEC

E.O. 12065 GDS 7/27/85 (KUX, DENNIS) OR-P
TAGS: PINT, PINS, TU
SUBJ: (C) STATE OF THE NATION: MOOD IS APPREHENSIVE

REF: ANKARA 1957

1. (C) - ENTIRE TEXT.

2. THIS IS A REPORTING MESSAGE; NO ACTION REQUIRED.

3. SUMMARY: AS THE CITIES AND GOVERNMNT OFFICES EMPTY DURING SUMMER VACATION TIME, THERE IS LITTLE VACATION SPIRIT IN TURKEY. THE NATIONAL MOOD IS GLOOMY; ALMOST EVERYONE IS UPSET ABOUT SOME POLITICAL OR ECONOMIC QUESTION. THERE IS LITTLE LOVE FOR AND LIMITED FAITH IN THE PRESENT POLITICAL LEADERSHIPM. AT THE SAME TIME, FEW ARE HOPEFUL THAT ALTERNATIVES WOULD BE ANY BETTER. DESPITE THE ANTICIPATED INFLOW OF EMERGENCY AID, ONLY THE MOST OPTIMISTIC EXPECT A TURNAROUND OF THE ECONOMY. WHILE MARTIAL LAW CONTINUES TO BE WELCOMED, FEW EXPECT IT CAN MAKE SERIOUS INROADS AGAINS DOMESTIC VIOLENCE. FOREIGN POLICY CAPTURES SCANT PUBLIC ATTENTION. END SUMMARY.

4. MUCH OF THE GLOOM AND DESPONDENCY CONTINUES TO BE GENERATED BY ECONOMIC WOES. SHORTAGES, DISTRUBUTION BOTTLENECKS, INFLATION, DECLINING PRODUCTION AND GROWING UNEMPLOYMENT MARK THE TURKISH ECONOMIC SCENE.

MANY TURKISH BUSINESSMEN ARE SKEPTICAL THAT THE SUBSTANTIAL ASSISTANCE FROM THE WEST WILL ARRIVE IN TIME OR BE USED WISELY. THERE IS WIDESPREAD CONCERN IN BUSINESS CIRCLES THAT "NEW MONEY" NOTWITHSTANDING, TURKEY'S DOWNHILL ECONOMIC SLIDE IS LIKELY TO CONTINUE. MANY ARE SKEPTICAL THAT THE GOVERNMENT WILL CARRY OUT THE IMF ECONOMIC REFORM PROGRAM.

5. TURKISH POLITICAL OBSERVERS READILY ADMIT THAT TRADITIONAL TURKISH STOICISM SHOULD PRECLUDE THE OUTBREAK OF VIOLENT PROTESTS GENERATED BY ECONOMIC PRIVATION. MANY, HOWEVER, ARE CONCERNED ABOUT THE POSSIBLE EFFECTS OF THE COMIN WINTER. IT IS WIDELY ANTICIPATED THAT SHORTAGES OF FULE AND POSSIBLY SOME FOOD ITEMS MIGHT CONTINUE INTO THE WINTER MONTHS. SOME OBSERVERS ARE QUESTIONING WHETHER THERE WILL BE ADEQUATE SUPPLIES OF DIESEL AND FERTILIZER TO PRMIT FALL PLANTING.

6. DESPITE THE LIMITED SUCCESS OF MARTIAL LAW IN DAMPENING DOMESTIC TERRORISM, THE VAST MAJORITY OF TURKS SEEM TO WANT IT CONTINUED. ECEVIT'S MARTIAL LAW IS WIDELY REGARDED AS MORE HUMANE THAT PREVIOUS ONES. MARTIAL LAW COURTS ARE SEEN AS MOVING FASTER AND WITH GREATER DETERMINATION THAN THEIR CIVILIAN COUNTERPARTS. IN REGIONS WHERE THERE IS NO MARTIAL LAW, FOR EXAMPLE IN IZMIR, THERE IS WIDESPREAD SUPPORT FOR AN EXPANSION OF MARTIAL LAW THERE.

7. WHILE THE PUBLIC APPROVES OF MARTIAL LAW, THERE ARE SIGNS THAT THE MILITARY IS UNAHPPY WITH ITS ROLE. WE HAVE SEEN SEVERAL REPORTS INDICATING THAT OFFICERS ARE WORRKED ABOUT THE EFFECT OF MARTIAL LAW ON MILITARY READINESS AND TRAINING. IN ADDITION, WHILE THE CURRENT PERIOD OF MARTIAL LAW HAS NOT DAMAGED THE IMAGE OF THE MILITARY, SOME OFFICERS BELIEVE THAT CONTINUING FAILURE TO REDUCE THE LEVEL OF VIOLENCE COULD EVENTUALLY HURT THE MILITARY.

8. MOST TURKS SENSE THAT PRIME MINISTER ECEVIT IS THE HEAD OF A LAME DUCK GOVERNMENT. THE CONVENTIONAL WISDOM IS THAT THE JUSTICE PARTY (JP) WILL WIN 4 OF 5 NATIONAL ASSEMBLY SEATS IN THE OCTOBER 14 BY-ELECTIONS AND BE ABLE TO UNSEAT ECEVIT IN A VOTE OF CONFIDENCE WHEN THE NATIONAL ASSEMBLY RECONVENES AFTER ELECTIONS. BUT FE TURKS BELIEVE THAT DEMIREL WILL FORM A NEW GOVERNMENT. IN BUSINESS AND POLITICAL CIRCLES, IT IS WIDELY ANTICIPATED THAT ECEVIT'S FALL WILL BE FOLLOWED BY A PROTRACTED PERIOD OF WEAK CARETAKER GOVERNMENTS.

BT
#5621

NNNNVV ESA351GUA515
PP RUQMHR
DE RUQMGU #5621/2 2110955
ZNY CCCCC ZZH
P R 300922Z JUL 79
FM AMEMBASSY ANKARA
TO RUEHC/SECSTATE WASHDC PRIORITY 7660
INFO RUQMAT/AMEMBASSY ATHENS 9702
RUFHOL/AMEMBASSY BONN 2867
RUFHBS/AMEMBASSY BRUSSELS 2708
RUDTC/AMEMBASSY LONDON 6470
RUEHMO/AMEMBASSY MOSCOW 1419
RUQMQG/AMEMBASSY NICOSIA 6645
RUEHDMB/AMEMBASSY DAMASCUS 489
RUFNPS/AMEMBASSY PARIS 6664
RUQMHR/AMEMBASSY TEHRAN 6127
RUFLEPA/AMCONSUL ADANA 9395
RUEHAD/USINT BAGHDAD 272
RUQMPL/AMCONSUL ISTANBUL 8342
RUFLAEA/AMCONSUL IZMIR 1616
RUFHNA/USMISSION USNATO 8200
RUEHDT/USMISSION USUN NY 3827
RUSNAAA/USCINCEUR VAIHINGEN GE
RUFRSHH/USDOCOSOUTH NAPLES IT
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C O N F I D E N T I A L SECTION 2 OF 2 ANKARA 5621

9. THE CONTRARY VIEW HELD BY A SMALLER BUT GROWING BODY OF OPINION IS THAT ECEVIT WILL SOMEHOW BE ABLE TO SOLDIER THROUGH UNTIL 1981. ECEVIT HAS WON SUBSTANTIAL ECONOMIC HELP AND THIS MAY LEAD TO ENOUGH ECONOMIC RECOVERY TO PREVENT TOO MUCH DAMAGE POLITICALLY IN THE OCTOBER ELECTIONS. ONE ALSO HEARS RUMORS OF AN RPP-NSP COALITION WHICH MIGHT PROVIDE ECEVIT THE NECESSARY PARLIAMENTARY CUSHION. THUS, WHILE ECEVIT'S IMAGE REMAINS BADLY TARNISHED, A MINORITY IS UNWILLING TO DISCOUNT ECEVIT'S ABILITY TO STAGE A COMEBACK AND SAVE HIS GOVERNMENT. A STRONG POINT IN HIS FAVOR IS THAT THE ALTERNATIVES APPEAR NO BETTER.

10. THE SENSE OF GLOOM AND DESPONDENCY WHICH HAS BUILT UP IN RECENT MONTHS HAS STIMULATED TALK, PARTICULARLY N TURKEY'S ELITIST CIRCLES, ABOUT THE NEED FOR STRONGER LEADERSHIPM. WHILE SOME HAVE BEGUN TO DISCUSS OPENLY THE NOTION THAT A MILITARY INTERVENTION WITH A SHORT PERIOD OF SUSPENDED DEMOCRATIC FREEDOMS MIGHT BE NECESSARY TO "SET THINGS STRAIGHT," WE SEE NO CURRENT SIGNS THAT THE TURKISH MILITARY IS CONSIDERING AN INTERVENTION IN THE POLITICAL ARENA. WE DOUBT THAT THE MILITARY BELIEVES THAT IT CAN DO ANY BETTER IN COPING WITH TURKEY'S ECONOMIC AND POLITICAL DILEMMAS THAN THE CURRENT CIVILIAN LEADERSHIP. MOREOVER, THERE IS NO IMMEDIATE CRISIS THAT WOULD LEGITIMATE A MILITARY MOVE.

11. FOREIGN POLICY ISSUES ARE CURENTLY DRAWING SCANT ATTENTION FROM THE PUBLIC. ISSUES, SUCH AS U-2'S, CYPRUS, TURKEY'S RELATIONS WITH THE WEST AND THE MIDDLE EAST AND UNREST IN IRAN, ARE REPORTED REGULARLY IN THE PRESS, BUT THEY ARE UNABLE TO CAPTURE OR HOLD PUBLIC ATTENTION. TURKS ARE TRADITIONALLY INTROSPECTIVE, AND THEIR SERIOUS INTERNAL AND ECONOMIC TROUBLES HAVE INCREASED THIS TENDENCY.

12. CONSULATES ADANA, ISTANBUL AND IZMIR CONTRIBUTED TO THIS ASSESSMENT. COPIES OF THEIR REPORTS WILL BE REPEATED TO THE DEPARTMENT. SPIERS
BT
#5621

NNNNVV ESA865AAB343
PP RUQMHR
DE RUQMGU #5527/1 2061310
ZNY CCCCC ZZH
P 251240Z JUL 79
FM AMEMBASSY ANKARA
TO RUEHC/SECSTATE WASHDC PRIORITY 7608
INFO RUFLSPA/AMCONSUL ADANA 9382
RUQMAT/AMEMBASSY ATHENS 9687
RUEHAD/USINT BAGHDAD 264
RUFHOL/AMEMBASSY BONN 2857
RUEHDM/AMEMBASSY DAMASCUS 481
RUQIFL/AMCONSUL ISTANBUL 8324
RUFLAEA/AMCONSUL IZMIR 681
RUDTC/AMEMBASSY LONDON 6462
RUEHMO/AMEMBASSY MOSCOW 1415
RUQMQG/AMEMBASSY NICOSIA 6637
RUFNPS/AMEMBASSY PARIS 6653
RUQMHR/AMEMBASSY TEHRAN 6623
RUFRSHR/USDOCOSOUTH NAPLES
RUFRNA/USMISSION USNATO 8187
RUSNAAA/USCINCEUR VAIHINGEN GE
BT
C O N F I D E N T I A L SECTION 1 OF 3 ANKARA 5527

E.O. 12065: GDS 7/23/85 (DILLON, R.S.) OR-M
TAGS: PEPR, TU, US
SUBJECT: (C) TURKISH POLITICAL ATTITUDES TOWARD THE US

1. C-ENTIRE TEXT. THIS IS AN INFORMATION MESSAGE.

2. SUMMARY: WHEN CONGRESS LIFTED THE ARMS EMBARGO IN AUGUST 1978, WE REALIZED THAT THE WOUND IN US-TURKISH RELATIONS WOULD HEAL SLOWLY AND THAT A MAJOR REBUILDING EXERCISE WAS NEEDED. EVENTS OF THE PAST YEAR UNDERSCORE THIS VIEW. TURKEY'S PRO-WESTERN ORIENTATION AND NATO MEMBERSHIP REMAIN ACCEPTED POLICY AND CONTINUE TO BE SUPPORTED BY KEY ELEMENTS OF THE TURKISH ESTABLISHMENT. AT THE SAME TIME OUR CONTACTS SUGGEST THAT IMPORTANT ELEMENTS OF THE TURKISH POLITICAL LANDSCAPE ARE UNCOMFORTABLE AND DISSATISFIED WITH THE TREND IN RELATIONS. END SUMMARY.

3. DURING THE PAST YEAR THE LIFTING OF THE EMBARGO HAS REMOVED A GRAVE IRRITANT, BUT A NUMBER OF FACTORS HAVE IMPACTED NEGATIVELY ON TURKISH ATTITUDES TOWARD US:

-- EFFORTS TO EXPEDITE THE RENEWED FLOW OF US MILITARY ASSISTANCE WERE MARRED BY A SERIES OF ADMINISTRATIVE DIFFICULTIES. WHILE THESE ARE BEING OVERCOME, THE RECENT HOUSE DEFEAT OF $50 MILLION GRANT MAP HAVE RAISED PUBLIC SUSPICION THAT THE US IS TRYING TO PRESSURE TURKEY ON ISSUES LIKE THE U-2 REQUEST. THERE IS CURRENTLY CONSIDERABLE MISCONCEPTION FED BY CURSORY AND SENSATIONALIZED PRESS REPORTING THAT THE $50 MILLION GRANT MAP, VOTED DOWN BY THE HOUSE, WAS THE ENTIRE US ASSISTANCE PACKAGE.

--ECEVIT'S ATTACKS DURING THE FALL AND WINTER ON IMF AND WESTERN ATTITUDES TOWARD TURKEY'S ECONOMIC PROBLEMS HAVE PROVED TO BE DRAGON SEED AS THE DOMESTIC ECONOMIC CRISIS WORSENS. ABSURD AS IT SEEMS, FULMINATIONS ABOUT AN UNDECLARED ECONOMIC EMBARGO, LED BY THE GREECE LOBBY IN THE U.S., ARE WIDELY BELIEVED.

--TURKISH CONCERNS ABOUT US RELIABILITY AS AN ALLIANCE PARTNER SPARKED BY THE EMBARGO HAVE DEEPENED AS A RESULT OF OUR INABILITY TO PREVENT THE FALL OF THE SHAH OF IRAN AND THE PERCEPTION THAT THE U.S. IS LOSING STRENGTH IN RELATION TO THE RUSSIANS.

--TURKS HAVE CONTRASTED THE BILLIONS THE US IS PREPARED TO PROVIDE IN ASSISTANCE TO ISRAEL AND EGYPT WITH WHAT WE ARE PREPARED TO DO FOR TURKEY AT A TIME WHEN THEY BELIEVE THEIR DEMOCRACY IS FACING ITS GRAVEST POLITICAL/ECONOMIC CRISIS IN MANY YEARS.

--GREECE'S ENTRY INTO THE EUROPEAN COMMUNITY HAS STIRRED TURKISH FEARS THAT IN SOME WAY THIS WILL WORK TO TURKEY'S DISADVANTAGE.

OTHER GREEK-RELATED ISSUES SUCH AS THE NATO RE-ENTRY QUESTION AND THE CYPRUS PROBLEM HAVE TENDED TO BE RELATIVELY NEUTRAL ELEMENTS IN ATTITUDES TOWARD THE U.S. DURING THE PAST YEAR BUT REMAIN CHRONIC COURSES OF TENSION.

4. ACROSS THE POLITICAL LANDSCAPE HERE, ATTITUDES TOWARD THE US AND TURKEY'S PRO-WESTERN ORIENTATION ARE MIXED. ON THE FAR LEFT, THE NUMERICALLY SMALL REVOLUTIONARY COMMUNIST AND MARXIST-LENINIST GROUPS HAVE ONLY LIMITED INFLUENCE ON FOREIGN AND SECURITY POLICY. HOWEVER, THIS IS NOT TRUE OF THE "INTELLECTUAL" LEFT, STRONGLY REPRESENTED IN THE LEFT-WING OF THE REPUBLICAN PEOPLE'S PARTY (RPP), AMONG LEFTIST PROFESSIONAL ASSOCIATIONS, THE LEFTIST DISK TRADE UNION FEDERATION, ON MANY UNIVERSITY CAMPUSES AND IN THE ANTI-AMERICAN COLUMNS OF CUMHURIYET, A MAJOR DAILY WHICH IS WIDELY READ BY THE TURKISH INTELLIGENTSIA.

BT
#5527

PP RUGMHR
DE RUFMGU #5527/2 2061320
ZNY CCCCC ZZH
P 251240Z JUL 79
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TO RUEHC/SECSTATE WASHDC PRIORITY 7689
INFO RUFLEPA/AMCONSUL ADANA 9383
RUQMAT/AMEMBASSY ATHENS 9688
RUEHAD/USINT BAGHDAD 265
RUFHOL/AMEMBASSY BONN 2858
RUEHDM/AMEMBASSY DAMASCUS 482
RUQMPL/AMCONSUL ISTANBUL 8325
RUFLAEA/AMCONSUL IZMIR 602
RUDTC/AMEMBASSY LONDON 6463
RUEHMO/AMEMBASSY MOSCOW 1416
RUQMQG/AMEMBASSY NICOSIA 6638
RUFMPS/AMEMBASSY PARIS 6654
RUQMHR/AMEMBASSY TEHRAN 6624
RUFRSHH/USDOCOSOUTH NAPLES
RUFHNA/USMISSION USNATO 8188
RUSNAAA/USCINCEUR VAIHINGEN GE
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THESE CIRCLES HAVE FUNDAMENTAL DOUBTS ABOUT TURKISH PRO-WESTERN OREINTATION AND FAVOR AN ALIERNATIVE POLICY BASED ON BETTER RELATIONS WITH THE THIRD WORLD, WITH TURKEY'S ARAB NEIGHBORS, AND WITH THE EASTERN BLOC. THEY SHARE A STRONG ANTI-US BIAS AND A DESIRE TO SHIFT TURKEY, PERHAPS WITHOUT SEVERING ALL TIES WITH NATO, TO AN ESSENTIALLY NEUTRALIST POLICY.

5. CENTER-LEFT. MORE IMPORTANT POLITICALLY IS THE CENTER AND MODERATE LEFT OF THE RPP, LED BY PRIMIN ECEVIT. WHILE URGING A MORE FLEXIBLE FOREIGN POLICY APPROACH THAT SEEKS CLOSER LINKS WITH THE THIRD WORLD AND THE EASTERN BLOC, THIS GROUP CONTINUES TO SUPPORT THE NATO ALLIANCE AS THE CORNERSTONE OF TURKEY'S SECURITY POLICY. BEFORE THE MA OECD PLEDGING SESSION, THIS GROUP FELT BADLY LET DOWN BY THE WEST BECAUSE OF THE SLOWNESS OF EMMERGENCY ECONOMIC AID. RPP POLITICIANS BELIEVE THAT WE RESPONDED WITH TOO LITTLE TOO LATE, DESPITE THE NATO ALLIANCE AND TURKEY'S TRATEGIC IMPORTANCE. FEW GO AS FAR AS SENATOR ZIYA GOKALP MULAYIM, SENATE FOREIGN RELATIONS COMMITTEE CHAIRMAN, WHO ARGUES THAT TURKEY, OF NECESSITY, WILL AFTER ITS PRO-WESTERN FOREIGN POLICY ORIENTATION IF WE REMAIN INDIFFERENT TO TURKISH NEEDS. BUT MANY CONSIDER THIS POSSIBILITY, ESPECIALLY AS THEY CONFRONT A LIEKLY DECLINE IN THE RPP'S AND THEIR OWN PERSONAL POLITICAL FORTUNES.

6. CENTER-RIGHT. MORE CONSERVATIVE RPP ELEMENTS AND THE MODERATE WING IN THE JUSTICE PARTY, INCLUDING PARTY LEADER SULEYMAN DEMIREL, CONTINUE TO FEEL BASIC AFFINAITY FOR THE US AND REMAIN FAVORABLE IN PRIVATE DISCUSSIONS. AT THE SAME TIME, THEY FND IT TO THEIR ADVANTAGE IN PUBLIC TO LOOK FOR WAYS TO SHOW DISTANCE FROM US. THUS, DEMIREL HAS BEEN HIGHLY CRITICAL IN PUBLIC STATEMENTS ON THE U-2 ISSUE. MOREOVER, CONFINDNE IN THE US HAS DECLINED BECAUSE OF THE IRANIAN REVOLUTION; RESENTMENT OVER THE ARMS EMBARGO LINGERS AND THERE IS BRISTILING AT THE SUGGESTION OF PRESSURE ON CYPRUS. INTERESTINGLY, WHILE PRO-ECEVIT ELEMENTS BEMOAN TURKEY'S PROBLEMS IN RECENT YEARS WITH THE COMMON MARKET, DEMIREL HAS ARGUED THAT FOR POLITICAL REASONS TURKEY SHOULD BE PREPARED TO TAKE THE PLUNGE TO JOIN EUROPE AS EARLY AS POSSIBLE. IN CONTRAST TO ECEVIT, WHO SEEMS GENUINELY INTERESTED IN BETTER RELATIONS WITH RADICAL ARAB STATES LIKE LIBY, DEMIREL REGARDS SUCH COUNTRIES WITH DISDAIN.

7. THE JP RIGHT-WING. THE MORE CONSERVATIVE AND NATIONALISTIC WING OF THE JP THINKS LESS WELL OF THE US. THE JP RIGHT WING HAS FAR LESS EMPATHY WITH THE WEST AND LESS DISTASTE REGARDING IMPROVED RELATIONS WITH THE ARABS. IT IS ALSO MORE SENSITIVE THAN TRADITIONAL, PRO-EUROPEAN ELITISTS, CENTEREDIN THE RPP, TO PERCEIVED SLIGHTS OF MUSLIM TURKEY BY THE CHRISTIAN WEST, ESPECIALLY IF A GREEK HAND CAN SOMEHOW BE BROUGHT INTO THE SCENARIO.

8. TURKES' NAP. RADICAL RIGHTIST TURKISH NATIONALISM EXEMPLIFIED IN TURKES' NATIONALIST ACTION PARTY (NAP) REMAINS PROFOUNDLY ANTI-COMMUNIST AND ANTI-SOVIET. THUS, NAP PREFERENCES ARE FOR A RETURN OF COLD WAR VALUES; THEY ARE SKEPTICAL OF DETENTE WHETHER WITH THE SOVIETS OR WITH GREECE. THEIR VIEWS WOULD POSE PROBLEMS FOR US OVER THE LONG TERM, BUT NOT PARTICULARLY IN THE SHORT TERM AS LONG AS THEY REMAIN A MARGINAL POLITICAL FACTOR.
BT
#5527

PP RUQMHR
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RUEHMO/AMEMBASSY MOSCOW 1417
RUQMQG/AMEMBASSY NICOSIA 6639
RUFNPS/AMEMBASSY PARIS 6655
RUQMHR/AMEMBASSY TEHRAN 6625
RUFRSHH/USDOCOSOUTH NAPLES
RUFHNA/USMISSION USNATO 8189
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C O N F I D E N T I A L SECTION 3 OF 3 ANKARA 5527

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9. THE NATIONAL SALVATION PARTY. THE RELIGIOUS RIGHT, ERBAKAN'S NATIONAL SALVATION PARTY (NSP), HAS A HISTORY OF PRO-ISLAMIC ADVOCACY. AT PRESENT, THE NSP IS REGARDED AS A WANING POLITICAL FORCE. HOWEVER, WERE IT TO RETURN TO A GOVERNMENTAL COALITION, ITS VIEW WOULD STRENGTHEN PRO-ARAB AND THRID WORLD TENDENCIES AND WOULD BE ESPECIALLY TROUBLESOME ON CYPRUS.

10. FOREIGN SERVICE AND THE MILITARY. IN TERMS OF INTEREST GROUPS THAT INFLUENCE TURKISH POLICY ON SECURITY AND FOREIGN AFFAIRS MATTERS, THE MILITARY AND THE TURKISH FOREIGN SERVICE PLAY THE DOMINANT ROLE. THE TURKISH PRESS HAS A SIGNIFICANT IMPACT BUT REFLECTS A HIGHLY PARTISAN VIEWPOINT AND CAN THEREFORE BE SUBSUMED UNDER THE PREVIOUS DISCUSSION OF POLITICAL PARTY ATTITUDES.

11. THE PROFESSIONAL FOREIGN SERVICE AND THE MILITARY BOTH CONTINUE TO HEW TO TRADITIONAL ATATURKIST VIEWS. ALTHOUGH THE CUMULATIVE NEGATIVE IMPACT OF MORE THAN A DECADE OF TENSION OVER CYPRUS AND THE 1975-8 ARMS EMBARGO HAVE BEEN SUBSTANTIAL, THEY REMIAN COMMITTED TO THE PROCESS OF EUROPEANIZATION AND LINKS WITH THE US AND NATO AS THE BASIS FOR TURKEY'S FOREIGN POLICY. AT THE SENIOR ECHELON, NEITHER GROUP SHARES THE LEFTIST TENDENCIES OF MANY ACADEMICS AND INTELLECTUALS, BUT THE YOUNGER ELEMENTS MAY BE AFFECTED BY THESE ATTITUDES. THEY ARE LIKELY TO HAVE MORE DOUBTS THAN THEIR ELDERS ABOUT THE EFFICACY OF TURKEY'S POST-WORLD WAR II POLICY, AS A GUIDE FOR FUTURE TURKISH POLICY.

12. NONETHELESS, THE FOREIGN SERVICE AND MILITARY ESTIBLISHMENT TO SOME EXTENT SHARES THE DISAPPOINTMENT OF OTHERS ABOUT THE RESPONSE OF THE US TOWARD TURKEY'S CURRENT WOES. IT ALSO APPEARS TO HAVE REDUCED CONFIDENCE IN AMERICA'S WILL AND ABILITY TO STEM WHAT IS PERCEIVED AS A DECLINE IN WESTERN INFLUENCE IN WEST ASIA.

13. COMMENT: THIS SURVEY OF ATTITUDES SUGGESTS THAT WHILE TURKEY NEWS TO ITS PRO-WESTERN ORIENTATION, THERE ARE CONTINUING SIGNS OF UNHAPPINESS ACROSS THE POLITICAL SPECTRUM. THIS IS NOT A NEW PROBLEM, BUT INDICATES THAT RENDS SINCE THE MID-1960'S REMAIN DESPITE THE END OF THE EMBARGO. TURKISH FOREIGN POLICY EXPERT SEYFI TASHAN WROTE RECENTLY IN DIS POLITIKA THAT THE NATIONAL CONSENSUS REGARDING A PRO-WESTERN FOREIGN POLICY WHICH TOOK SHAPE AFTER WORLD WAR II IS GRADUALLY ERODING. OUR ANALYSIS TENDS TO CONFIRM THIS VIEW NOTWITHSTNADING THE SUBSTANTIAL EFFORTS OF THE USG DURING THE PAST YEAR TO PROVIDE ADDITIONAL ASSISTANCE TO TURKEY.

14. THIS MESSAGE INCORPORATES VIEWS FROM CONSULATES. IN THE ABSENCE IN TURKEY OF PUBLIC OPINION POLLS AND SIMILAR MEASURES OF ATTITUDES, THIS REPORT IS BASED ON IMPRESSIONS GAINED FROM PERSONAL CONTACTS BY EMBASSY AND CONSULAR OFFICERS.

SPIERS

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INFO RUEHAD/USINT BAGHDAD 278
RUEHDM/AMEMBASSY DAMWPCUS 499
RUQMHR/AMEMBASSY TAHRAN 6132
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RUQMPL/AMCONSUL ISTANBUL 8400
RUFLAEA/AMCONSUL IZMIR 1656
BT
C O N F I D E N T I A L ANKARA 5860

E.O. 12065 GDS 8/8/85 (KUX, DENNIS) OR-P
TAGS: PINS, PINT, PEPR, STU, IR
SUBJ: (C) TURKISH MFA COMMENTS ON IRAN

1. THIS IS AN INFORMATION MESSAGE; NO ACTION REQUIRED.

2. (C) ENTIRE TEXT.

3. TURKISH MFA OFFICIALS COMMENTED ON EVENTS IN IRAN IN SEPARATE CONVERSATIONS WITH EMBOFFS AUGUST 7 AND 8. IN IRAN/SOUTH ASIA SECTION CHIEF MIHTAT BALKAN'S OPINION, THE GOI HAD MADE A "REASONABLE ATTEMPT" TO PRIVIDE FOR FAIR ELECTIONS, BUT THE LACK OF PARTICIPATION BY OPPOSITION GROUPS, PARTICULARLY IN AREAS WHERE NON-PERSIAN ETHNICS PREDOMINATE, CAST SERIOUS DOUBT HOW WIDELY THE ELECTION RESULTS WOULD BE ACCEPTED. BALKAN WAS NOT SURE WHETHER THE RESULTS SHOULD BE TAKEN AS EVIDENCE OF ACTIVE SUPPORT FOR KHOMEINI, OR AS AN INDICATION OF THE DISAFFECTED ELEMENTS' "UNWILLINGNESS" OR INABILITY TO JOIN IN A UNITED OPPOSITION.

4. MFA BILATERAL POLITICAL AFFAIRS DIRECTOR GENERAL CELEM BELIEVED THAT FOR THE MOMENT THE KURDISH SITUATION IN IRAN IS QUIET. KHOMEINI'S FORCES APPEAR TO HAVE REGAINED CONTROL AND FOR THE TIME BEING THE KURDS ARE CHOOSING NOT TO CHALLENGE TEHRAN'S AUTHORITY. IN CELEM'S OPINION, THE GOI'S SKILL IN DEALING WITH MONORITY GRIEVANCES WILL LARGELY DETERMINE HOW LONG THE RELATIVE CLAM WILL LAST. WHILE HE ACKNOWLEDGED CONSIDERABLE CROSS-BORDER MOVEMENT AND ARMS TRAFFIC BETWEEN TURKEY AND IRAN, CELEM SAID THE GOT DOES NOT BELIEVE THERE ARE EXTENSIVE LINKAGES BETWEEN TURKISH AND IRANIAN KURDISH GROUPS. THE GOT IS ALSO FAIRLY CONFIDENT THAT IT HAS FIRM CONTROL OF THE SITUATION ON ITS SIDE OF THE BORDER. SPIERS
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RUFLAEA/AMCONSUL IZMIR 1760
RUEHMO/AMEMBASSY MOSCOW 1448
RUQMER/AMEMBASSY TEHRAN 6149
RUFENA/USMISSION USNATO 8319
RUFRSHE/USDOCOSOUTH NAPLES
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S E C R E T SECTION 1 OF 2 ANKARA 6660

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E.O. 12065 RDS-2 (DILLON, ROBERT S.) OR-M
TAGS: PINS, PINT, TU
SUBJ: (S) SECURITY SITUATION IN EASTERN TURKEY

REF: (A) STATE 226728 (NOTAL); (B) TDFIRDB-315/14865-79;
(C) ADANA 139; (D) ADANA 191; (E) ANKARA 6538;
(F) TEHRAN 9858; (G) USDAO ANKARA 6 898 0348 79;
(H) ANKARA 6533.

1. (S) -- TNITE TEXT.

2. SUMMARY: THIS MESSAGE CONTAINS AN ASSESSMENT OF THE POLITICAL AND SECURITY SITUATIONS IN EASTERN TURKEY. IN ORDER TO MAINTAIN CONTROL IN TURKEY'S EASTERN KURDISH PROVINCES, THE GOT HAS TRADITIONALLY USED A CARROT-AND-STICK APPROACH, COOPTING TRIBAL LEADERS AND LANDOWNERS WHILE MAINTAINING A STRONG MILITARY PRESENCE. IN RECENT YEARS, THIS APPROACH HAS BEEN TESTED BY GREATER KURDISH POLITICAL ASSERTIVENESS, RISING ETHNIC CONSCIOUSNESS AND THE INVOLVEMENT OF SOME YOUNG, EDUCATED KURDS IN REVOLUTIONARY MARXIST, SEPARATIST, TERRORIST ACTIVITIES. THE ECEVIT GOVERNMENT HAS ADAPTED A "SOFT APPROACH" TOWARD DEVELOPMENTS IN EASTERN TURKEY WHICH PERMITS EXPRESSION OF CONTROVERSIAL IDEAS WHILE TRYING TO STRENGTHEN LEGAL AND LAW ENFORCEMENT ORGANIZATIONS. THIS "SOFT APPROACH" CURRENTLY HAS THE BACKING OF TURKEY'S SENIOR MILITARY LEADERSHIP, BUT IT APPEARS TO TROUBLE TURKEY'S CONSERVATIVE KEMALIST ESTABLISHMENT AND SOME UNIT COMMANDERS IN EASTERN TURKEY, WHO WOULD PREFER TO QUELL DISSENT WITH GREATER FORCE. ALTHOUGH THESE MILITARY COMMANDERS ARE CONCERNED ABOUT A POSSIBLE KURDISH SEPARATIST UPRISING, WE DOUBT THAT TURKEY'S FRACTIOUS RADICAL KURDISH GROUPS

WOULD OPENLY OR SERIOUSLY CHALLENGE THE OVERWHELMING POWER OF THE TURKISH MILITARY IN KURDISH AREAS. IT IS FAR MORE LIKELY THAT THE GOT WILL CONTINUE TO PURSUE THE "SOFT APPROACH" UNLESS THERE IS A CHANGE IN TURKISH POLITICAL LEADERSHIP OR KURDISH VICTORIES IN IRAN BEGIN TO THREATEN TURKEY'S NATIONAL INTEGRITY. END SUMMARY.

3. KURDS PREDOMINATE IN TURKEY'S EASTERN AND SOUTHEASTERN PROVINCES. THEY MAKE UP AS MUCH AS NINETY PERCENT OF THE POPULATION OF SOME PROVINCES, SUCH AS DIYARBAKIR. SINCE THE FOUNDATION OF THE MODERN TURKISH STATE FIFTY YEARS AGO, TURKISH ADMINISTRATORS HAVE CONTROLLED THE AREA THROUGH POLICIES OF ECONOMIC AND POLITICAL COOPTATION OF THE KURDISH LEANDOWNERS AND TRIBAL LEADERS AND MAINTENANCE OF A STRONG MILITARY PRESENCE. ALTHOUGH MANY KURDS ARE FULLY INTEGRATED INTO TURKISH POLITICAL AND ECONOMIC LIFE, THE AREA WHERE MOST KURDS LIVE IS THE LEAST DEVELOPED PART OF TURKEY WITH THE LOWEST LITERACY, PER CAPITA INCOME AND LIFE EXPECTANCY RATES. BECAUSE OF KURDISH REVOLTS IN THE EARLY YEARS OF THE TURKISH REPUBLIC, TURKS REMAIN SUSPICIOUS ABOUT THE LOYALTY OF THE KURDS. THEY HAVE TENDED TO RELY ON MILITARY MIGHT OVER OTHER MEANS TO ASSURE PEACE AND SUPPRESS SEPARATIST MOVEMENTS. INVESTMENTS, SCHOOLS AND INFRASTRUCTURE DEVELOPMENT HAVE BEEN PROVIDED GRUDGINGLY, AND THE REGION LAGS DRAMATICALLY BEHIND WESTERN AND CENTRAL ANATOLIA.

4. IN RECENT YEARS, BOTH THE REPUBLICAN PEOPLE'S PARTY (RPP) AND THE NATIONAL SALVATION PARTY HAVE WON KURDISH SUPPORT BY BACKING INCREASED INVESTMENTS AND ECONOMIC DEVELOPMENT. THE KURDS REPRESENT AN IMPORTANT ELEMENT IN THOSE SUPPORTING ECEVIT. OVER THE PAST TEN YEARS, YOUNG EDUCATED KURDS HAVE BECOME MORE AWARE OF THEIR ETHNIC IDENTITY AND THE POLICY OF NEGLECT TOWARD THEIR NATIVE REGION. MANY HAVE ADOPTED THE TENETS OF REVOLUTIONARY MARXISM, AN ANATHEMA TO TURKEY'S CONSERVATIVE ESTABLISHMENT AND MILITARY, AND HAVE JOINED RADICAL LEFT-WING SPLINTER ORGANIZATIONS, BECOME INVOLVED IN POLITICAL TERRORISM, AND OPENLY ESPOUSED KURDISH SEPARATISM.

5. DESPITE THE EMERGENCE OF KURDISH NATIONALIST SENTIMENT AND INCREASED DEMANDS FOR ECONOMIC AID, TURKEY'S KURDISH ETHNIC MOVEMENT HAS YET TO DEVELOP A UNIFIED POLICY OR COHESIVE DIRECTION. TRIBAL LEADERS AND LANDLORDS TEND TO ALLY THEMSELVES WITH THE TURKISH POLITICAL ESTABLISHMENT WHICH HAS CONSISTENTLY REWARDED THEIR LOYALTY. RADICAL LEFTIST GROUPS, WHICH WE BELIEVE DO NOT COMMAND SIGNIFICANT POPULAR SUPPORT, ARE FACTION-RIDDEN AND GENERALLY AT ODDS WITH ONE ANOTHER.

6. IN THE LAST YEAR, TWO MAJOR DEVELOPMENTS HAVE HAD A

DRAMATIC IMPACT ON TURKISH PERCEPTIONS OF EVENTS IN THE EASTERN PROVINCES:
A. IRAN -- KHOMEINI'S FAILURE TO ESTABLISH EFFECTIVELY HIS AUTHORITY FOLLOWING HIS SUCCESSFUL REVOLUTION AND THE VIRTUAL OTUBREAK OF CIVIL WAR IN IRAN'S KURDISH PROVINCES HAS SHAKEN POLITICALLY CONCERNED TURKS. THE PROSPECT THAT A WEAKENED IRANIAN REGIME MIGHT BE FORCED TO GRANT IRANIAN KURDS SIGNIFICANT AUTONOMY OR THAT AN INDEPENDENT KURDISH STA MIGHT EMERGE HAS STIMULATED DEEP CONCERN.

B. GROWING ETHNIC CONSCIOUSNESS -- TURKISH CONCERNS ABOUT DEVELOPMENTS IN THE EASTERN PROVINCES ARE INTENSIFIED BY

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TO RUEHC/SECSTATE WASHDC IMMEDIATE 8207
INFO RUFLEPA/AMCONSUL ADANA 9513
RUEHAD/USINT BAGHDAD 287
RUEHDM/AMEMBASSY DAMASCUS 508
RUQMPL/AMCONSUL ISTANBUL 3574
RUFLAEA/AMCONSUL IZMIR 1761
RUEHMO/AMEMBASSY MOSCOW 1449
RUQMER/AMEMBASSY TEHRAN 6150
RUFHNA/USMISSION USNATO 8320
RUFRSHH/USDOCOSOUTH NAPLES
RUSNAAA/USINCEUR VAIHINGEN GE
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S E C R E T SECTION 2 OF 2 ANKARA 6660

INCREASING SIGNS TEROUGHOUT TURKEY, BUT ESPECIALLY IN THE EAST OF GROWING ETHNIC CONSCIOUSNESS. MANY TURKS ARE WORRED THAT THE ECEVIT GOVERNMENT'S TOLERANCE OF EXPRESSION OF CONTROVERSIAL IDEAS MAY BE THE BEGINNING OF TURKEY'S DISSOLUTION ALONG ETHNIC LINES. ALTHOUGH THE TURKISH ELITE IS BY NO MEANS "PURE," ITS MEMBERS SHARE A COMMON BELIEF IN THE CONCEPT OF "TURKISHNESS," AS ARTICULATED BY ATATURK, AS THE ESSENTIAL GLUE BINDING TOGETHER THEIR ETHNICALLY AND CULTURALLY DIVERSE CUNTRY. MANY IN THE ELITE HAVE VOICED THEIR FEARS TO US THAT THE OPEN EXPRESSION OF KURDISHNESS AND ACKNOWLEDGEMENT THAT KURDS ARE A UNIQUE AND GEOGRAPPICALLY DISTINCT GROUP COULD REPRESENT THE BEGINNING OF TURKEY'S DISINTEGRATION. A REFLECTION OF THE ATATURKIST ELITE'S CONCERN WAS PRESIDENT KORUTURK'S AUGUST 30 VICTORY DAY SPEECH IN WHIC HE WARNED THAT SOME SEPARATIST "HEADS ARE GOING TO BE CRUSHED."

7. LESS DRAMATIC, BUT EQUALLY IMPORTANT, HAS BEEN A GRADUAL DECLINE IN RESPECT FOR AND THE EFFICACY OF TURKISE GOVERNMENTAL AUTHORITY IN RECENT YEARS, AS A RESULT OF THE COUNTRY'S DOMESTIC ECONOMIC AND POLITICAL DIFFICULTIES. THIS PHENOMENON CAN BE SEEN COUNTRYWIDE. WHILE TROUBLESOME IN WESTERN AND CENTRAL TURKEY, IT HAS POTENTIALLY MORE SERIOUS CONSEQUENCES IN THE EAST WHERE A STRONG OFFICIAL PRESENCE HAS TRADITIOANLLY BEEN CRITICAL TO THE MAINTENANCE OF TURKISH LEGITIMACY. IN THE PAST, THE EXERCISE OF CONTROL BY TURKISH OFFICIALS AND THE MILITARY HAS BEEN RELATIVELY STRONG IN THE CITIES AND TOWNS, BUT LESS SO IN RURAL AREAS. WITH THE OVERALL WEAKENING OF CIVIL AUTHORITY--ESPECIALLY THE POLITICIZATION OF TURKEY'S POLICE AND BUREAUCRACY--RIVAL LEFTIST SPLINTER GROUPS, SUCH AS TEE

APOCULAR, SIVANCILAR, AND OTHERS, HAVE BEEN ABLE TO ASSERT TEMPORARY, VIGILANTE-TYPE CONTROL IN AREAS TRADITIONALLY OUTSIDE THE DAY-TO-DAY AUTHORITY OF TURKISH OFFICIALS AND TO EXTORT PROTECTION MONEY FROM THE POPULATION. THE ACTIVITIES OF THESE GROUPS ARE LIMITED IN DURATION AND AREA, BUT THEIR EMERGENCE, THEIR REVOLUTIONARY MARXIST RHETORIC AND THEIR SEPARATIST SENTIMENTS ARE PARTICULARLY TROUBLING TO THE MILITARY UNITS WHICH ARE CHARGED WITH MAINTAINING TURKISH AUTHORITY IN THE KURDISH AREAS.

8. THE RESPONSE OF THE ECEVIT GOVERNMENT TO GROWING KURDISH ETHNIC CONSCIOUSNESS AND TO THE EMERGENCE OF MILITANT NATIONALIST SENTIMENT HAS BEEN TOLERANCE, STRICT ADHERENCE TO LEGAL REQUIREMENTS AND EFFORTS TO STRENGTHEN TRADITIONAL LAW ENFORCEMENT CAPABILITIES. THIS "SOFT APPROACH" IS AN OUTGROWTH OF ECEVIT'S SOCIAL DEMOCRATIC CONVICTIONS AND HIS RELIANCE ON KURDISH RPP DEPUTIES AND INDEPENDENTS FOR MAINTENANCE OF HIS NARROW PARLIAMENTARY MAJORITY. AS INDICATED IN THE RECENT CONVERSATION WITH THE AMBASSADOR (REF E), TURKEY'S TOP MILITARY OFFICER, GENERAL KENAN EVREN, SHARES ECEVIT'S DESIRE TO PURSUE THE "SOFT APPROACH." ALTHOUGH EVREN'S EXPLANATION OF THE SOURCE OF KURDISH UNREST AS THE DELAY IN FORMULATION OF ALEGALLY SOUND LAND REFORM ACT IS AN OVERSIMPLIFICATION, HE CLEARLY LOOKS ON THE KURDISH "PROBLEM" AS ONE TO BE SOLVED WITHOUT RESORT TO TRADITIONAL HEAD-BASHING METHODS, IF POSSIBLE.

9. THE ECEVIT-EVREN APPROACH IS NOT TYPICAL, AND WE HAVE SEEN REPORTS THAT OTHERS ARE UNHAPPY ABOUT THIS STANCE, PREFERRING A TOUGHER APPROACH TO REASSERT TURKISH AUTHORITY AND SQUASH THE TROUBLEMAKERS. THE OFFICERS WHOSE VIEWS OF THE SECURITY SITUATION IN THE EAST WERE RECORDED IN THE RECENT INTELLIGENCE REPORT (REF B) APPEART TO SHARE THIS MORE TRADITIONAL AND HARDER LINE APPROACH. IN THIS VIEW, THE FAILURE TO EXERCISE "ABSOLUTE" CONTROL IS REGARDED AS EVIDENCE OF A "COMPLETE" LOSS OF CONTROL. THEIR DESCRIPTION OF THE SECURITY SITUATION IS UNDOUBTEDLY COLORED BY THEIR FEELINGS ABOUT HOW IT SHOULD BE HANDLED, JUST AS THE CONTRARY EVREN"ECEVIT VIEW IS.

10. AT LEAST IN THE NEAR TERM, WE SEE NO LIKELIHOOD OF A KURDISH NATIONALIST MOVEMENT INITIATING AN INSURRECTION IN TURKEY. CONDITIONS ARE NOT RIGHT. THE KURDISH NATIONALIST MOVEMENT IS SMALL AND SPLINTERED. TURKISH MILITARY FORCES AR PRESENT IN THE EAST IN OVERWHELMING NUMBERS. RADICAL KURDISH GROUPS MIGET CONCEIVABLY MISCALCULATE THEIR OWN STRENGTH OR THE WEAKNESS AND RESOLVE OF THE TURKISH MILITARY, BUT THIS APPEARS IMPROBABLE.

11. WE BELIEVE THAT THE GOT WILL CONTINUE TO FOLLOW ECEVIT'S "SOFT APPROACH." IF ECEVIT SHOULD FALL IN THE COMING MONTHS

OR IF EVENTS IN IRAN AND IRAQ FORCED THE ABANDONMENT OF THE "SOFT APPROACH," THERE IS SOME LIKELIHOOD THAT THE TURKISH MILITARY MIGHT TAKE PRE-EMPTIVE ACTION TO RESTORE TURKISH AUTHORITY AND CONTAIN CENTRIFUGAL FORCES IN THE REGION. WE BELIEVE THIS EFFORT WOULD BE CHARACTERIZED BY THOUGH, INDISCRIMINATE ACTIONS. IT WOULD PROBABLY SQUELCH DISSENT AND DRIVE THE RADICALS UNDERGROUND, AT LEAST IN THE SHORT RUN. IN THE LONG RUN, HOWEVER, THE ANSWER LIES IN ACCELEARATED ECONOMIC DEVELOPMENT SO TEAT THE TURKISH EAST NO LONGER BRING UP THE REAR IN ALL IMPORTANT ECONOMIC INDICATORS. SPIERS
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E.O. 12Ø65: GDS 9/17/85 (KUX, DENNIS) OR-P
TAGS: PINT, TU
SUBJ: (U) VIEWS OF NATIONAL SALVATION PARTY LEADER KORKUT OZAL

1. (C)-ENTIRE TEXT.

2. SUMMARY: THIS IS AN INFORMATION MESSAGE: NO ACTION REQUIRED. NATIONAL SALVATION PARTY (NSP) FACTION LEADER KORKUT OZAL BELIEVES THAT ECEVIT MAY DO BETTER THAN EXPECTED IN THE UPCONING ELECTIONS, BUT THAT HIS GOVERNMENT IS LIKELY TO FALL ANYWAY. OZAL DOES NOT BELIEVE AN NSP/RPP COALITION WILL BE FEASIBLE. IF JP LEADER DEMIREL REMAINS UNWILLING TO ASSUME POWER, OZAL THINKS TURKEY MAY BE HEADING FOR A PERIOD OF GOVERNMENT BY TECHNICIANS. OZAL ASSERTS THAT THE INTERNAL SECURITY SITUATION. ESPECIALLY IN KURDISH AREAS; IS WORSE THAN THE GOVERNMENT SAYS. HE IS WORRIED THAT THE PRESENT "SOFT" APPRACH TOWARD KURDISH DISSIDEHTS MAY EVENTUALLYLEAD TO SERIOUS ETHNIC DISTURBANCES. END SUMMARY

3. REVIEWING THE CURRENT TURKISH POLITICAL SCENE WITH POL COUNSELOR, KORKUT OZAL, RIVAL TO NSP LEADER ERBAKEA, WAS PESSIMISTIC. HE FELT THAT ECEVIT MIGHT DO BETTER THAN EXPECTED IN THE UPCOMING ELECTIONS BUT BELIEVED HIS GOVERNMENT WOULD NOT SURVIVE THE POST-ELECTION PERIOD. OZAL WAS CONCERNED THAT THERE WAS NO REASILY AVAILABLE ALTERNATIVE CAPABLE OF PROVIDING THE TOUGH LEADERSHIP HE BELIEVED TURKEY NEEDED TO DEAL WITH ITS DOMESTIC POLITICAL AND ECONOMIC DIFFICULTIES.

4. OZAL RULED OUT THE NOP'S JOINING ECEVIT IN A COALITION. HE OPPOSED THIS AND THOUGH ABOUT HALF THE 24 MEMBER NSP PARLAIMENTARY GROUP WOULD JOIN WITH IM IN REFUSING TO PARTICIPATE. EVEN IF ERBAKAN TOOK THE OTHER HALF OF THE NSP INTO AN ECEVIT GOVERNMENT. THE SITUATION WOULD BE INHERENTLY UNSTABLE AND OZAL DOUBTED ECEVIT WOULD LONG BE ABLE TO MAINTAIN THE NEEDED 226 VOTES.

5. OZAL DOUBTED THAT THE JUSTICE PARTY'S GOAL--NEW ELECTIONS--WAS IN THE CARDS. HE DID NOT SEE THE NECESSARY PARLIAMENTARY MAJORITY, ESPECIALLY AS BOTH THE RPP AND HIS OWN NSP WERE LIKELY TO OPPOSE THIS.

6. OZAL'S PERSONAL PREFERENCE WAS FOR A DEMIREL-LED JUSTIC PARTY GOVERNMENT SUPPORTED FROM OUTSIDE BY THE NSP AND TURKEY'S NAP. OZAL THOUGHT DEMIREL'S FORMER NATIONAL FRONT PARTNERS MIGHT BE PERSUADED TO SUPPORT HIM WITHOUT JOINING HIS GOVERNMENT. AT THE SAME TIME. OZAL THOUGHT THE FALL OF THE ECEVIT GOVERNMENT WOULD LEAVE THE RPP IN DISARRAY, UNABLE TO PRESENT A SERIOUS THREAT TO GOVERNMENTAL STABILITY IN THE OPPOSITION. DEMIREL, HOWEVER, WAS UNWILLING TO REACH FOR POWER AT THIS TIME.

7. UNDER THESE CIRCUMSTANCES, OZAL BELIEVED THAT THE MOST PROBABLE EVENTUAL RESULT AFTER A PERIOD OF GOVERNMENTAL CRISIS WOULD BE AN ABOVE-PARTIES TECHNICIANS' GOVERNMENT. HE PERSONALLY DID NOT LIKE THIS APPROACH BUT THOURHGT IT MIGHT BE A NECESSARY, TEMPORARY MEASURE UNTIL THE 1981 ELECTIONS. PROVIDING PROPER PEOPLE WERE SELECTED, OZAL THOUGHT SUCH A GOVERNMENT MIGHT BE ABLE TO DEAL MORE EFFECTIVELY THAN A WEAK POLITICAL GOVERNMENT WITH THE COUNTRY'S ECONOMIC DIFFICULTIES AND POLITICAL VIOLENCE. OZAL WAS SHARPLY CRITICAL OF ECEVIT'S HANDLING OF THE LATTER AND THOUGHT HIS COMMENTS ON THE INTERNAL SECURITY SITUATION WERE FAR TOO ROSY. OZAL EXPRESSED CONCERN FOR CONTINUING EROSION OF RESPECT FOR GOVERNMENTAL AUTHORITY IN TURKEY, NOTING AN UPSWING IN DISTRUBANCES AT ELECTORAL RALLIES.

6. HE WAS ALSO VERY WORRIED ABOUT THE POTENTIAL FOR SERIOUS UNREST IN KURDISH AREAS AND EVENTUALLY BETWEEN KURDS AND TURKS ELSEWHERE IN THE COUNTRY. HE CHARGED THAT ECEVIT'S "SOFT" APPROACH TO KURDISH DISSIDENTS, MANY OF WHOM WERE LEFTISTS, WAS A MAJOR ERROR AND RISKED SERIOUS TROUBLE IN THE FUTURE. OZAL THOUGHT ECEVIT'S MOTIVATIONS WERE PRIMARILY POLITICAL. THE RPP LEADER WAS CONCERNED THAT A THOUGHER APPROACH BY THE SECURITY FORCES WOULD COST HIM THE SUPPORT OF A NUMBER OF KURDISH DEPUTIES AND MIGHT LEAD TO THE EARLY FALL OF HIS GOVERNMENT. SPIERS
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RUQMPL/AMCONSUL ISTANBUL 8326
RUFLAEA/AMCONSUL IZMIR 6Ø3
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RUEHMO/AMEMBASSY MOSCOW 1417
RUQMQG/AMEMBASSY NICOSIA 6639
RUFNPS/AMEMBASSY PARIS 6655
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C O N F I D E N T I A L SECTION 3 OF 3 ANKARA 5527

9. THE NATIONAL SALVATION PARTY. THE RELIGIOUS RIGHT. ERBAKAN'S NATIONAL SALVATION PARTY (NSP), HAS A HISTORY OF PRO-ISLAMIC ADVOCACY. AT PRESENT, THE NSP IS REGARDED AS A WANING POLITICAL FORCE, HOWEVER, WERE IT TO RETURN TO A GOVERNMENTAL COALITION, ITS VIEW WOULD STRENGTHEN PRO-ARAB AND THIRD WORLD TENDENCIES AND WOULD BE ESPECIALLY TROUBLESOME ON CYPRUS.

1Ø. FOREIGN SERVICE AND THE MILITARY. IN TERMS OF INTEREST GROUPS THAT INFLUENCE TURKISH POLICY ON SECURITY AND FOREIGN AFFAIRS MATTERS, THE MILITARY AND THE TURKISH FOREIGN SERVICE PLAY THE DOMINANT ROLE. THE TURKISH PRESS HAS A SIGNIFICANT IMPACT BUT REFLECTS A HIGHLY PARTISAN VIEWPOINT AND CAN THEREFORE BE SUBSUMED UNDER THE PREVIOUS DISCUSSION OF POLITICAL PARTY ATTITUDES.

11. THE PROFESSIONAL FOREIGN SERVICE AND THE MILITARY BOTH CONTINUE TO NEW TO TRADITIONAL ATATURKIST VIEWS. ALTHOUGH THE CUMULATIVE NEGATIVE IMPACT OF MORE THAN A DECADE OF TENSION OVER CYPRUS AND THE 1975-8 ARMS EMBARGO HAVE BEEN SUBSTANTIAL, THEY REMIAN COMMITTED TO THE PROCESS OF EUROPEANIZATION AND LINKS WITH THE US AND NATO AS THE BASIS FOR TURKEY'S FOREIGN POLICY. AT THE SENIOR ECHELON, NEITHER GROUP SHARES THE LEFTIST TENDENCIES OF MANY ACADEMICS AND INTELLECTUALS, BUT THE YOUNGER ELEMENTS MAY BE AFFECTED BY THESE ATTITUDES. THEY ARE LIKELY TO HAVE MORE DOUBTS THAN THEIR ELDERS ABOUT THE EFFICACY OF TURKEY'S POST-WORLD WAR II POLICY, AS A GUIDE FOR FUTURE TURKISH POLICY.

12. NONETHELESS, THE FOREIGN SERVICE AND MILITARY ESTIBLISHMENT TO SOME EXTENT SHARES THE DISAPPOINTMENT OF OTHERS ABOUT THE RESPONSE OF THE US TOWARD TURKEY'S CURRENT WOES. IT ALSO APPEARS TO HAVE REDUCED CONFIDENCE IN AMERICA'S WILL AND ABILITY TO STEM WHAT IS PERCEIVED AS A DECLINE IN WESTERN INFLUENCE IN WEST ASIA.

13. COMMENT: THIS SURVEY OF ATTITUDES SUGGESTS THAT WHILE TURKEY HEWS TO TIS PRO-WESTERN ORIENTATION, THERE ARE CONTINUING SIGNS OF UNHAPPINESS ACROSS THE POLITICAL SPECTRUM, THIS IS NOT A NEW PROBLEM, BUT INDICATES THAT RENDS SINCE THE MID-196Ø'S REMAIN DESPITE THE END OF THE EMBARGO. TURKISH FOREIGN POLICY EXPERT SEYFI TASHAN WROTE RECENTLY IN DIS POLITIKA THAT THE NATIONAL CONSENSUS REGARDING A PRO-WESTERN FOREIGN POLICY WHICH TOOK SHAPE AFTER WORLD WAR II IS GRADUALLY ERODING. OUR ANALYSIS TENDS TO CONFIRM THIS VIEW NOTWITHSTNADING THE SUBSTANTIAL EFFORTS OF THE USG DURING THE PAST YEAR TO PROVIDE ADDITIONAL ASSISTANCE TO TURKEY.

14. THIS MESSAGE INCORPORATES VIEWS FROM CONSULATES. IN THE ABSENCE IN TURKEY OF PUBLIC OPINION POLLS AND SIMILAR MEASURES OF ATTITUDES, THIS REPORT IS BASED ON IMPRESSIONS GAINED FROM PERSONAL CONTACTS BY EMBASSY AND CONSULAR OFFICERS.

SPIERS

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FM AMEMBASSY ANKARA
TO RUEHC/SECSTATE WASHDC PRIORITY 8365
INFO RUFLEPA/AMCONSUL ADANA 9568
RUEHAD/USINT BAGHDAD 291
RUEHDM/AMEMBASSY DAMASCUS 513
RUQMPL/AMCONSUL ISTANBUL 8658
RUFLAEA/AMCONSUL IZMIR 1822
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E.O 12065 RDS-4 9/19/99 (KUX, DENNIS) OR-P
TAGS: PEINT, PINS, TU
SUBJ: (S) LEFT-WING RPP DEPUTY COMMENTS ON ELECTIONS AND SECURITY SITUATION IN EASTERN TURKEY

1. (S) - ENTIRE TEXT.

2. THIS IS A REPORTING MESSAGE; NO ACTION REQUIRED.

3. SUMMARY: IN A CONVERSATION ON SEPTEMBER 18, MODERATE LEFTIST REPUBLICAN PEOPLE'S PARTY (RPP) DEPUTY SEMIH ERYIDIZ SUGGESTED THAT HE WOULD NOT BE SURPRISED IF ECEVIT FELL FROM POWER AFTER THE ELECTION. ERYILDIZ CLAIMED THA KURDISH LEFTISTS WERE TRYING TO PROVOKE THE TURKISH MILITARY TO INTERVENE POLITICALLY AND ALSO CARCK DOWN ON THE KURDISH DISSIDENTS SINCE THEY BELIEVED THIS WOULD RADICALIZE CURRENTLY UNCOMMITTED KURDS. ERYILDIZ ALSO TOUCHED ON U.S.-TURKISH DEFENSE NEGOTIATIONS. END SUMMARY.

4. ELECTION: IN A CONVERSATION WITH EMBOFF (CHRISTY) ON SEPTEMBER 18, RPP ANKARA DEPUTY SEMIH ERYILDIZ (PROTECE) RESISTED MAKING PREDICTIONS ABOUT THE UPCOMING ELECTIONS. HE GAVE THE CLEAR IMPRESSION THAT HE WULD NEITHER BE SURPRISED NOR PARTICULARLY CONCERNED IF THE GOVERNMENT FELL FROM POWER AFTER OCTOBER 14. HE THOUGHT, HOWEVER, THAT NATIONAL ELECTIONS WOULD PROBABLY TAKE PLACE ON SCHEDULE IN 1981.

5. ELECTION SECURITY: COMMENTING ON ELECTION SECURITY, ERYILDIZ NOTED THAT HE WOULD BE LEAVING ANKARA AT THE END OF THE WEEK TO CAMPAIGN FOR THE RPP'S SENATE CANDIDATES IN YOZGAT PROVINCE. ERYILDIZ ADMITTED THAT HE WAS CHOSEN BY RPP-HEADQUARTERS TO WORK IN YOZGAT PROVINCE BACAUSE OF HIS OPEN BREAK WITH THE PARTY LEADERSHIP DURING THE BI-ENNIAL CONVENTION IN MAY OF THIS YEAR. CAMPAIGNING IN YOZGAT WAS REGARDED AS HIGHLY UNDESIREABLE, AND SECURITY RISKS FOR RPP POLITICIANS WOULD PROBABLY BE GREAT. BECAUSE YOZGAT HAD A SIGNIFICANT NUMBER OF NATIONAL ACTION PARTY MILITANTS, ERYILDIZ EXPRESSED CONCERN ABOUT HIS PERSONAL SAFETY DURING THE UPCOMING 25 DAYS OF CAMPAIGNING. NEVERTHELESS, HE WAS A PARTY LOYALIST; HE WOULD TAKE THE RISK.

6. SITUATION IN EASTERN TURKE: ACCORDING TO ERYILDIZ, KURDISH RAIDCALS WERE USING CLASSIC REVOLUTIONARY TECHNIQUES IN SOUTHEASTERN TURKEY TO CREATE A SITUATION IN WHICH THE TURKISH ARMED FORCES WOULD INTERVENE POLITICALLY AND STAMP OUT THE KURDISH NATIONALIST MOVEMENT. ERYILDIZ SAID IT WAS THE AIM OF THESE RADICAL KURDISH GROUPS TO PROVOKE A "TOUGH TURKISH MILITARY ACTION BECAUSE THEY THOUGHT THIS WOULD RADICALIZE CURRENTLY UNCOMMITTED KURDS."

7. ERYILDIZ SAID THAT THE SOVIET UNION WAS ACTIVELY SUPPORTING AT LEAST ONE OF THESE GROUPS, THE APOCULAR. HE ADDED THAT THERE WAS EVIDENCE OF INCREASING SOVIET INTERFERENCE IN TURKISH DOMESTIC POLITICS. ALTHOUGH ERYILDIZ DID NOT OPENLY ACCUSE THE US OF MEDDLING, HE APPEARED UNCONVINCED BY EMBOFF'S ASSURANCES THAT THE U.S. HAD ADOPTED A 'HANDS OFF' POLICY TOWARD THE KURDS.

8. ERYILDIZ EXPRESSED CONCERN THAT RADICAL KURDS MIGHT SUCCEED IN PROVOKING A RIGHT-WING, MILITARY-BACKED TAKEOVER. ERYILDIZ THOUGHT THAT THS GOVERNMENT WOULD BE UNDEMOCRATIC AND UNRESTRAINED IN ITS EFFORTS TO ELIMINATE ALL VESTIGES OF KURDISH NATIONALISM. THE EMERGENCE OF SUCH A GOVERNMENT WOULD REPRESENT A SERIOUS SETBACK FOR TURKISH DEMOCRACY.
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S E C R E T SECTION 2 OF 2 ANKARA 6997

9. IN ERYILDIZ'S VIEW, A SERIOUS KURDISH SEPARATIST MOVEMENT COULD NOT SUCCEED. A MOVEMENT TEN YEARS AGO MIGHT HAVE HAD A CHANCE. THE TIME FOR A SUCCESSFUL KURDISH NATIONALIST MOVEMENT HAD PASSED, HOWEVER, AND MOST KURDS, INCLUDING THE LEADERS OF KURDISH RADICAL ORGANIZATIONS, WERE FULLY AWARE OF THIS. NONETHELESS, HE BELIEVED THAT SOME KURDISH GROUPS WERE PERSISTING IN THEIR SEPARATIST ACTIVITIES AS A TACTIC TO DISCREDIT TURKEY'S DEMOCRATIC REGIME.

10. IF THE TACTICS OF KURDISH LEFTISTS SUCCEEDED, ERYILDIZ THOUGHT THAT ANY MILITARY-BACKED REGIME WOULD, LIKE THE JUNTA IN GREECE, INEVITABLY BE IDENTIFIED AS THE CREATION AND CREATURE OF THE U.S. SHOWING CLEAR CONCERN THAT A MILITARY TAKEOVER MIGHT LOOM ON TURKEY'S POLITICAL HORISON, HE ASKED IF U.S. HUMAN RIGHTS POLITICIES WOULD CREATE DIFFICULTIES IN DEALING WITH SUCH A GOVERNMENT WHOSE HUMAN RIGHTS' RECORD WOULD PROBABLY BE POOR. WHEN EMBOFF REPLIED THAT A MILITARY TAKEOVER WOULD CREATE DIFFICULTIES AND THAT THE USG DID NOT FAVOR SUCH A MOVE, ERYILDIZ STRESSED THE NEED THAT THE USG CONTINUE TO MAKE THAT POINT - - PARTICULARLY DIRECTLY TO THE LEADERSHIP OF THE TURKISH MILITARY.

1. DEFENSE NEGOTITIONS: LIGHTLY TOUCHING ON US/TURKISH DEFENSE TALKS, ERYILDIZ INDICATED THAT RPP POLITICIANS WERE WELL-BRIEFED ON THE CURRENT STATUS OF THE NEGOTIATIONS. HE SPECIFICALLY NOTED THAT HE WAS AWARE OF THE PRESENTATION

MADE BY FONMIN OKCUN TO EEPUTY SECRETARY OF DEFENSE SIENA AND AMBASSADOR SPIERS (ANKARA 6832) IN WHIC OKCUN HAD ASSERTED THAT TURKEY WAS A "SPECIAL CASE" AND THAT THE U.S. COULD INCLUDE A FIVE-YEAR SPECIFIC FINANCIAL COMMITMENT IN THE AGREEMENT IF IT REALLY WANTED TO.

12. COMMENT: ERYILDIZ, 32, IS A LEADING MEMBER OF THE RPP'S YOUTHFUL LEFTIST FACTION, THE MEMBERS OF WHICH WERE ATTRACTED TO THE PARTY IN THE LATE 1960'S WHEN ECEVIT BECAME SECRETARY GENERAL OF THE RPP AND MOVED THE PARTY TO THE LEFT. BECAUSE OF THEIR DISSATISFACTION WITH THE DIRECTION OF THE RPP UNDER THE LEADERSHIP OF THE ECEVIT SUPPORTERS KNOWN AS "THIRD WORLDERS," ERYILDIZ AND A NUMBER OF OTHER YOUNG RPP POLITICIANS SPLIT WITH THE RPP LEADERSHIP EARLIER THIS YEAR AND BEGAN COOPERATING WITH THE ISTANBUL-BASED POLITICAL MACHINE OF MINISTER OF VILLAGES AND COOPERATIVES ALI TOPUZ. BECAUSE OF HIS FIGHT WITH THE RPP LEADERSHIP, ERYILDIZ LOST HIS POSITION ON THE PATY'S GENERAL ADMINISTRATIVE BOARD DURING THE MAY CONVENTION. HE IS NO LONGER INVOLVED IN DAY-TO-DAY ADMINISTRATIVE AFFARIS, BUT HE STILL SEEMED TO BE WELL INFORMED ABOUT PARTY POSITIONS ON A WIDE RANGE OF INTERNAL AND EXTERNAL QUESTIONS. ERYILDIZ VISITED THE U.S. IN 1978 ON A U.S.-SPONSORED INTERNATIONAL GRANT.

13. ERYILDIZ' SPECULATION ABOUT THE INTENT OF RADICAL KURDISH GROUPS PROBABLY REPRESENTED A BROADLY-HELD CONCERN AMONG RPP LEFT-WING MEMBERS. IN THIS REGARD, HE APPEARED TO SEE ECEVIT'S SO-CALLED "SOFT APPROACH" TO SECURITY PROBLEMS IN TURKEY'S SOUTHEASTERN PROVINCES AS A COMPROMISE AIMED AT AVOIDING A BREAKDOWN IN SECURITY IN THE AREA, WHILE ASSURING THAT THE KIND OF RADICALIZING SCENARIO DESIRED BY KURDISH SEPARATISTS WAS AVOIDED. SPIERS
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E.O. 12065 GDS 9/28/79 (GELBER, H. DONALD) OR-P
TAGS: PEPR, TU, IR
SUBJ: (C) TURKISH VIEWS ON US-IRANIAN RELATIONS

Pol Turkey

1. (C - ENTIRE TEXT)

2. INFORMATION MESSAGE.

3. DURING POLOFF'S OFFICIAL CALL DEVOTED TO OTHER TOPICS SEPTEMBER 28, MFA MIDDLE EAST SECTION CHIEF ALP KARAOSMANOGLU ASKED ABOUT THE STATUS OF US AMBASSADORIAL REPRESENTATION IN TEHRAN. HE NOTED THE RECENT APPARENT COOLING IN USSR-IRANIAN RELATIONS, AND VERY STRONBLY URGED THAT THE US SEIZE THE OPPORTUNITY TO STRENGTHEN ITS RELATIONS WITH IRAN. IF THE US WOULD NOT SOON SEND ITS ALOASSADOR, IT SHOULD AT LEAST SEND A "HIGH-LEVEL PUBLIC OFFICIAL" ON A COURTESY VISIT. AMBASSADOR YOUNG WOULD BE AN EXCELLENT CHOICE FOR THIS LATTER ROLE AS HIS CURRENCY WAS HIGH "IN THIS PART OF THE WORLD."

4. COMMENT: KARAOSMANOGLU, A VERY WELL-INFORMED AND FORTHCOMING EMBASSY CONTACT, MADE IT CLEAR HE WAS EXPRESSING MORE THAN JUST A PERSONAL POINT OF VIEW. SPIERS
BT
#7201

CONFIDENTIAL

MEMORANDUM OF CONVERSATION

SUBJECT: Comments of Turkish Ambassador on Iran's Government

PARTICIPANTS: Turkish Ambassador Turgot Tulumen and William Daugherty, Political

DATE & PLACE: American Embassy - October 11, 1979

DISTRIBUTION: Charge, Pol (2), NEA/IRN and NEA/INR

While walking the Turkish Ambassador to his car after a meeting at the American Embassy with the Charge, October 11, the Ambassador made the following observations which he sourced to the highest levels of the PGOI:

-- Yazdi is shoo-in for Prime Minister when the new Constitution is ratified.

-- Yazdi, Chamran, Ghotbzedh and one other (possibly Tabataba'i) all have received training in Lebanon, and are recognized within highest circles to be the ruling clique.

-- Yazdi personally picked Chamran to be Defense Minister.

-- The "ruling clique" will eventually edge out the clerics in government.

-- Khomeini trusts the younger secular leaders (like the "ruling clique") much more than the religious leaders, like Beheshti, whom Khomeini allegedly dislikes.

COMMENT: Interesting though the above may be, it all looks highly speculative to us.

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INFO RUQMAT/AMEMBASSY ATHENS 4752
RUQMOG/AMEMBASSY NICOSIA 7282
RUDKBT/AMEMBASSY RABAT 4325
RUFHRS/AMEMBASSY ALGIERS 1792
RUEHUL/AMEMBASSY SEOUL 8266
RUQMBE/AMEMBASSY BEIRUT 9665
RUEHTV/AMEMBASSY TEL AVIV 7117
RUEHCR/AMEMBASSY TEHRAN 5067
RUEHEG/AMEMBASSY CAIRO 5588
RUEHDM/AMEMBASSY DAMASCUS 7879
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C O N F I D E N T I A L SECTION 01 OF 02 STATE 270675/01

EXDIS

E.O. 12065: GDS 10/15/85 (DILLERY, C. EDWARD)

TAGS: PEPR, UNGA, TU, IS, EG, LE, IR, AG, UC, KN, KS

SUBJECT: (C) SECRETARY'S BILATERAL WITH TURKISH FOREIGN MINISTER: INTERNATIONAL ISSUES

REF: STATE 265783 (NOTAL)

1. (C - ENTIRE TEXT).

2. REFTEL DESCRIBES EASTERN MEDITERRANEAN ASPECTS OF SECRETARY VANCE'S OCTOBER 4 AND 5 BILATERALS WITH TURKISH FONMIN OKCUN. THIS MESSAGE REPORTS OTHER ISSUES COVERED ON OCTOBER 5.

3. OKCUN POINTED OUT THAT PLO OFFICE IN ANKARA WAS BEING OPENED SAME DAY (OCT. 5). TWO ARAB COUNTRIES HAD PRESSED TURKEY TO BREAK RELATIONS WITH ISRAEL BUT, HE ASSURED, HE WOULD NOT ALLOW THIS TO HAPPEN. HE SAID THAT PLO REPRESENTATIVES HAD ASKED HIM TO POSE TWO QUESTIONS AND TO MAKE ONE POINT TO SECRETARY AS FOLLOWS:

A) WHAT DOES THE U.S. MEAN BY "A DECISION ON THE MIDDLE EAST TO BE TAKEN IN TWO MONTHS?"

B) WHAT IS THE U.S. POSITION ON THE TERRITORIAL INTEGRITY OF LEBANON?

C) THE PLO IS ANXIOUS TO BE IN TOUCH WITH THE SECRETARY OFFICIALLY OR UNOFFICIALLY.

CENTRAL LAST POINT, OKCUN SAID ANKARA WOULD BE GOOD PLACE FOR SUCH A CONTACT AND HE COULD SERVE AS A CHANNEL.

4. THE SECRETARY RESPONDED THAT HE HAD RECEIVED SIMILAR MESSAGES FROM PLO THROUGH OTHER COUNTRIES. WE SEE THE MIDDLE EAST PEACE PROCESS UNDER THE CAMP DAVID ACCORDS AS A SERIES OF STEPS LEADING TO A COMPLETE SOLUTION TO THE MIDDLE EAST PROBLEM IN ALL OF ITS ASPECTS. THE FIRST ELEMENT WAS THE SINAI AGREEMENT. THE SECOND IS TO BEGIN TO DEAL WITH THE PALESTINIAN PROBLEM THROUGH THE SO-CALLED "AUTONOMY TALKS". IT IS CLEAR THAT THE STATUS OF THE WEST BANK AND THE GAZA STRIP ARE MAJOR QUESTIONS; THE PEOPLE OF PALESTINE MUST BE INVOLVED IN ANY FINAL SOLUTION. WHAT IS GOING ON NOW IS NOT INCONSISTENT WITH THIS. THERE IS A QUESTION AS TO WHEN THE SELF-GOVERNING APPROACH WILL INTERSECT WITH OTHER ELEMENTS OF A FINAL SOLUTION.

5. THE SECRETARY SAID THAT ON LEBANON, WE BELIEVE IT IS CRITICAL TO TRY TO ACHIEVE SOMETHING MORE STABLE THAN THE FRAGILE CEASE-FIRE WHICH NOW EXISTS. OPPORTUNITIES EXIST TO ACHIEVE THIS AND THEY ARE WORTH TRYING.

6. ON IRAN, OKCUN SAID TURKEY CLOSELY MONITORS DEVELOPMENTS, ESPECIALLY THOSE WHICH RELATE TO THE KURDISH QUESTION. HE SAID ANY EFFORT BY A MAJOR POWER OR EVEN A SMALL POWER -- ISRAEL -- TO CHANGE THE BALANCE IN THE REGION WOULD BE DETRIMENTAL TO PEACE AND STABILITY AND WOULD BE PLAYING WITH FIRE. TURKEY SUPPORTS THE TERRITORIAL INTEGRITY OF IRAN AND LOOKS FORWARD TO COOPERATING WITH THE PRESENT GOVERNMENT, WHICH IS ANTI-MARXIST, ANTI-SOVIET AND FOR COOPERATION WITH THE DEMOCRATIC NATIONS. OKCUN SAID HE PERSONALLY HAS VERY GOOD RELATIONS WITH FOREIGN MINISTER YAZDI.

7. SECRETARY VANCE RESPONDED THAT THE U.S. TOTALLY AGREES THERE SHOULD BE NO INTERVENTION BY FOREIGN POWERS IN THE AFFAIRS OF IRAN. WE HAVE MADE CLEAR TO THE SOVIET UNION THAT INTERFERENCE BY ANY POWER COULD CAUSE A DANGEROUS SITUATION. WE HAVE ALSO TOLD THIS TO THE IRANIANS. WE ARE NOT SURE THEY BELIEVE US. THEY CONTINUE TO SUGGEST THAT WE ARE INVOLVED IN THE PROBLEMS OF KURDISTAN. THIS IS ABSOLUTELY UNTRUE, THE SECRETARY SAID. HE IS CERTAIN, AND HAS SO TOLD YAZDI. THE SECRETARY CONTINUED THAT WE ARE PREPARED TO WORK TOWARD FRIENDLY RELATIONS BETWEEN OUR TWO COUNTRIES. IN THE SECRETARY'S OPINION, THE ISSUES BETWEEN US ARE MINOR ONES, LIKE BUSINESS CONTRACTS. IT SHOULD BE POSSIBLE TO THRASH THEM OUT AND MAKE THE NECESSARY POLITICAL DECISIONS TO ESTABLISH GOOD RELATIONS. THE UNITED STATES ACCEPTS THE REVOLUTION AS A REALITY AND IS PREPARED TO WORK WITH THE CURRENT REGIME.

8. COMMENTING ON THE WESTERN SAHARA, SECRETARY VANCE SAID HE HAD MADE CLEAR TO BOTH THE MOROCCANS AND ALGERIANS THAT WE ARE NOT TAKING SIDES. WE WANT GOOD RELATIONS WITH BOTH COUNTRIES. AS A FRIEND OF BOTH, WE HAVE URGED THEM TO TRY

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TO RESOLVE THE PROBLEM BEFORE IT FESTERS EVEN MORE AND BECOMES DANGEROUS. WE HOPE THE TWO COUNTRIES WILL FIND IT POSSIBLE TO ENGAGE IN A DIALOGUE. FOREIGN MINISTER OKCUN SAID HE DID NOT SEE ANY PROSPECT OF A DISCUSSION BETWEEN THE ALGERIANS AND KING HASSAN. THE SECRETARY HOPED THIS WAS NOT TRUE, THAT BILATERAL CONVERSATIONS COULD BEGIN, WITH OTHER INTERESTED PARTIES BROUGHT IN LATER.

5. OKCUN SAID THAT HE HAD BEEN TRYING TO SERVE AS AN INTERMEDIARY BETWEEN NORTH AND SOUTH KOREA, USING THE ROMANIANS AS A CHANNEL TO THE NORTH KOREANS. IT WAS HIS HOPE THAT A BEGINNING STEP COULD BE REINTEGRATION OF FAMILIES, LEADING TO MORE UNDERSTANDING BETWEEN THE TWO KOREAN NATIONALITIES. THE SECRETARY SAID THAT WE HAVE DISCUSSED THIS POSSIBILITY WITH SEVERAL COUNTRIES WHICH ARE INTERESTED IN PROMOTING BETTER RELATIONS BETWEEN NORTH AND SOUTH KOREA. VANCE
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RUFLAEA/AMCONSUL IZMIR TU 1411
RUEHMY/AMEMBASSY MOSCOW 005
RUQMHR/AMEMBASSY TEHRAN 005
RUFHNAE/US MISSION USNATO 002
RUFRSHH/USDOCOSOUTH NAPLES 003
AUSNAAA/USCINCEUR VAIHINGEN GE
RUQMGU/AMEMBASSY ANKARA 2113
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S E C R E T ADANA 244 - SECTION I OF II
E.O. 12065:RDS-2 (BARR, BRADY G.) OR-O
TAGS: PINS, PINT, TU
SUBJECT: (S) SECURITY OBSERVATIONS EASTERN TURKEY
REF: STATE 226728 (NOTAL)
1. (S)-ENTIRE TEXT.

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PAGE 2 RUFLEPA6279 S E C R E T
2. SUMMARY. PRINCIPAL OFFICER'S OBSERVATIONS FROM OVERLAND TOUR EASTERN TURKEY SEPTEMBER 17-27 ARE: (1) PREVIOUS EMBASSY ANKARA ASSESSMENT ESSENTIALLY CORRECT; (2) TURKISH CENTRAL AUTHORITY RETAINS CONTROL OF AREA; (3) TURKISH MILITARY CAN CONTAIN REBELLION UNDER CURRENT CIRCUMSTANCES, BUT EVEN IN COMBINATION OTHER SECURITY FORCES CANNOT COMBAT TERRORISM EFFECTIVELY; (4) THERE IS INCREASED TURKISH MILITARY ACTIVITY IN EAST, PARTICULARLY ALONG HAKKARI PROVINCIAL BORDER WITH IRAN AND IRAQ; (5) GOVERNMENT POLICY TO ACCENT ECONOMIC DEVELOPMENT AND MAINTAIN "SOFT" APPROACH TO SECURITY PROBLEMS HAS STRONG SUPPORT AMONG TURKISH CIVILIAN OFFICIALS AND KURDISH POLITICIANS IN EAST, WHO BELIEVE ALSO WESTERN TURKISH PRESS GIVES HIGHLY EXAGGERATED AND DANGEROUS PICTURE EASTERN SECURITY PROBLEMS; (5) INCREASED GOVERNMENT ASSISTANCE AND GOOD HARVEST HAVE AT LEAST TEMPORARILY HEIGHTENED OPTIMISM IN EAST; (6) LOCAL POLITICIANS INCORRECTLY DISCOUNT POSSIBILITY OF SECESSIONIST REBELLION IN EAST SHOULD SOVIET-SUPPORTED IRANIAN KURDISTAN BECOME REALITY; (7) BARRING SUCH DRAMATIC DEVELOPMENTS, WE EXPECT CONTINUING TERRORISM IMMEDIATE FUTURE, BUT WITH TURKISH FEDERAL CONTROL OF REGION REMAINING INTACT. END SUMMARY.
3. PRINCIPAL OFFICER, ACCOMPANIED BY WIFE AND TWO FSN TURKISH ETHNIC EMPLOYEES, TOURED MOST EASTERN PROVINCES THIS DISTRICT, INCLUDING

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CITIES OF URFA, DIYARBAKIR, SIIRT, BITLIS, TATVAN, MUS, VAN, HAKKARI AND MARDIN, SEPTEMBER 17-27. IN THOSE PROVINCES WE INTERVIEWED ALL BUT ONE GOVERNOR (DEPUTY GOVERNOR SUBSTITUTED), EIGHT MAYORS, ONE DEPUTY MAYOR AND SIX OTHER SITTING OR ASPIRING POLITICIANS, INDEPENDENT, RPP, NSP AND JP. WITH TWO EXCEPTIONS, POLITICIANS WERE ETHNICALLY KURDISH OR KURDISH/TURKISH. WE TALKED TO SECURITY OFFICIALS, TURKISH MILITARY AND JANDARMA OFFICERS, U.S. MILITARY PERSONNEL IN DIYARBAKIR, AND NUMBER OF PRIVATE TURKISH CITIZENS. OUR OBJECTIVE WAS TO GET AS ACCURATE ASSESSMENT AS POSSIBLE OF CURRENT POLITICAL SECURITY SITUATION IN EAST AND TO ANSWER SPECIFIC QUESTIONS FROM EMBASSY ANKARA (SEPTELS, NOTAL).
4. IN GENERAL WE FOUND NOTHING TO CONTRADICT ASSESSMENT SUBMITTED ANKARA 6666, WHICH INCORPORATED OUR PREVIOUS REPORTS (ADANA 191 AND 187 - RPTD SECSTATE 189). TURKISH CENTRAL AUTHORITY REMAINS IN CONTROL, THE VAST MAJORITY OF KURDS ARE NOT AGITATING FOR A SEPARATE KURDISTAN, AND TURKISH MILITARY AUTHORITY OVER THE CIVILIAN POPULATION IS SUFFICIENT TO CONTROL REBELLIOUS OUTBREAKS UNDER CURRENT CIRCUMSTANCES, BUT INSUFFICIENT TO COMBAT TERRORISM EFFECTIVELY.
5. WE FOUND THAT CENTRAL GOVERNMENT IS TAKING "SOFT" APPROACH TO USE MILITARY FORCE (ARMY/JANDARMA IN FIVE MARTIAL LAW AND JANDARMA IN

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THREE CIVIL LAW PROVINCES). IN IMMEDIATE IRANIAN AND IRAQI BORDER AREAS OF HAKKARI, HOWEVER, PATROLLING AND OTHER MILITARY ACTIVITY APPEAR INCREASED AND MORE PURPOSEFUL. WE SUSPECT THIS ACTIVITY IS TO DISCOURAGE WEAPONS SMUGGLING AND OTHER KURDISH SEPARATIST OPERATIONS ACROSS NATIONAL BOUNDARIES.
6. WE HEARD FREQUENT TESTIMONY, INTERMITTENTLY BORNE OUT BY OBSERVATION, THAT GOVERNMENT HAS IN THE PAST YEAR MADE AVAILABLE INCREASED RESOURCES FOR ECONOMIC DEVELOPMENT IN THE EAST, AND HAS PARTLY BAILED OUT FINANCIALLY LARGER MUNICIPALITIES HARDEST HIT BY RAPID URBANIZATION. THESE DEVELOPMENTS, TOGETH WITH A GOOD HARVEST, PRODUCED AT LEAST TEMPORARILY A MORE OPTIMISTIC FACE ON OFFICIALS AND THE POPULATION IN GENERAL THAN WE HAD EXPECTED.
7. WESTERN TURKISH PRESS ALMOST UNIVERSALLY DAMNED BY OFFICIALS AND POLITICIANS FOR PRESENTING WARPED PICTURE SECURITY DEVELOPMENTS IN THE EAST BY BOTH MAGNIFYING AND INVENTING CRISES. SEVERAL GOVERNORS EXPRESSED FEAR THAT FOWSE REPORTING COULD PRECIPITATE CRISES BY PANICKING WESTERN TURKISH ESTABLISHMENT (SEE ANKARA 7104) INTO ILL-CONSIDERED TOUGH SECURITY MOVES AND BY STIFLING ECONOMIC INVESTMENT.
8. INTEREST IN FORTHCOMING SENATORIAL BY-ELECTIONS SEEMED HIGHER IN THOSE PROVINCES WITH SEATS AT STAKE THAN WE HAVE OBSERVED IN WESTERN

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TURKEY, AND THE POSSIBILITY OF VIOLENCE IS THEREFORE GREATER.
9. GENERALLY WE WERE IMPRESSED WITH FACT THAT ASSESSMENT SO-CALLED "LEFTIST/SEPARATIST" GROUPS MUST TAKE INTO ACCOUNT POSSIBLE INSTIGATION, MANIPULATION AND SUPPORT BY MUCH MORE TRADITIONAL AND VERY POWERFUL FAMILY, TRIBAL AND POLITICAL ORGANIZATIONS. WE RECEIVED STRONG INTIMATIONS, FOR EXAMPLE, THAT RECENT ARGOGLAN "SEPARATIST" ACTIVITIES IN URFA WERE BOUND UP WITH FAMILY RIVALRIES AND REGULAR PARTY POLITICS.
10. SEPARATIST SENTIMENT DOES EXIST, ON TWO PLANES. FIRST IS FOR INCREASED CULTURAL AUTONOMY AND LOCAL CONTROL RESOURCES BOTH IN PLANNING AND EXPLOITATIVE STAGES, AND MAY BE SHARED BY MAJORITY KURDS - BUT NOT NOW TO POINT OF COMMITTING OR EVEN CONDONING TERRORIST VIOLENCE OR REBELLION. SECOND, ESSENTIALLY SECESSIONIST, DEMANDS POLITICAL AUTONOMY UNDER ONE OR ANOTHER REVOLUTIONARY SOCIALIST FORM OF GOVERNMENT, NORMAL
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ADVOCATES VIOLENCE AND REBELLION TO ACHIEVE ENDS, IS OPPORTUNISTIC AND HIGHLY FRAGMENTED INTO MUTUALLY ANTIPATHETIC GROUPS. TAKEN TOGETHER THESE GROUPS FORM VERY SMALL PART OF POPULATION, AND THEIR PASSIVE AND ACTIVE SUPPORTERS WERE NEVER NUMBERED ABOVE TEN PERCENT OF LOCAL POPULATION. THESE GROUPS ACKNOWLEDGED DANGEROUS, BUT OFTEN DISMISSED BY RESPONDENTS AS, IN EFFECT, HANDFUL SOCIAL OUTCASTS BACKED BY USSR.

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ALTHOUGH NOT A FORTUNATE COMPARISON WE FOUND CITIES AND TOWNS VISITED, WITH EXCEPTION SIVEREK, MUCH MORE RELAXED AND BUSINESS AS USUAL THAN ADANA, WHERE KURDISH PROBLEM IS MUCH LESS SIGNIFICANT, AND OTHER CITIES IN WESTERN TURKEY, WHERE IT DOES NOT EXIST.
11. TURKISH ADMINISTRATORS OF PROVINCES, WHOM WE FOUND HARD AT WORK, SEEM PROFESSIONAL AND AT LEAST ADEQUATE AT LEVEL GOVERNOR AND HIS
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PROVINCIAL SECURITY DIRECTORS AND CONTINUING THROUGH SO-CALLED ELITE POLITICAL SECURITY SECTION TO SEMILITERATE, PORRLY PAID, POLITICIZED COP ON BEAT. BECAUSE OF INTIMATE AND NECESSARY RELATION BETWEEN GOOD POLICE INTELLIGENCE WORK AND EFFECTIVE COUNTER-TERRORISM. IT IS PREDICTABLE THAT TERRORIST GROUPS IN EAST WILL CONTINUE TO MULTIPLY AND GROW UNTIL THEY (A) ARE KNOCKED OFF OR ABSORBED BY RIVALS AND/OR (B) BECOME LARGE AND CONSPICUOUS ENOUGH TO BE EFFECTIVELY STOMPED ON BY MILITARY. ELIMINATING TERRORIST ORGANIZATIONS IS SURGICAL OPERATION, BUT TURKISH SECURITY FORCES BY AND LARGE HAVE ONLY MEAT-AXE CAPABILITY.

12. MOST OBVIOUS ALTHOUGH UNEXPLORED PARTIAL ANSWER TO THIS PROBLEM
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IS IN JANDARMA. THEY ARE TYPICALLY ENGAGED IN POLICE WORK, HAVE A RUDIMENTARY INTELLIGENCE FUNCTION AT PROVINCIAL LEVELS, COMMAND RESPECT AVERAGE TURK RESERVES FOR UNIFORMED MEMBERS OF MILITARY SERVICE

AND - MOST IMPORTANTLY - ARE NOT KNOWN TO BE POLITICIZED. THEY HAVE LONG HISTORY OF POLICING EASTERN TURKEY AND, IF ADEQUATELY TRAINED AND EQUIPPED, MIGHT TAKE ON PRINCIPAL RESPONSIBILITY COUNTER-TERRORISM WITHOUT EXCITING UNUSUAL LOCAL INTEREST OR HOSTILITY. ABOVE IF, HOWEVER, IS BIG. PRESENTLY HANDARMA IS POOR STEP-SISTER TO TURKISH ARMY, WITH FEW RESOURCES AND LARGELY CAST-OFF EQUIPMENT.
13. OUR SECURITY ESCORT WAS LIGHTER THAN DURING SIMILAR TRIP YEAR AGO,

AND THAT OF GOVERNORS AND MAYORS NO MEANING. WE, INCLUDING TURKISH MEM-

BERS WHO EMBARKED UPON TOUR WITH APPREHENSION, WERE NEVER MADE TO FEEL UNWELCOME DURING EXTENSIVE WALKING AND TEA HOUSE SITTING TOURS OF ALL TOWNS VISITED. OFF-DUTY TURKISH SOLDIERS IN UNIFORM MINGLED FREELY WITH LOCAL POPULATIONS, COMMUNICATION IN TURKISH ELICITED NO DISCERNABLE

SNUBS OR DISAPPROVAL, ALL ADVERTISEMENTS AND SHOP SIGNS WERE EXCLUSIVELY

IN TURKISH.
14. MOST POLITICIANS WE TALKED TO ADMITTED HIGH LOCAL INTEREST AND SOME EMOTION AMONG TURKISH KURDS ABOUT EVENTS IRAN, BUT EXPECTED VERY FEW TO BE WILLING CROSS BORDER TO FIGHT FOR IRANIAN KURDS OR TO CONSIDER IRANIAN KURDISH EXPERIENCE EMULABLE TURKEY EVEN WHERE IT SUCCESS-

FUL. SUCH CATEGORICAL ASSURANCES DEMAND GRAIN OF SALT, AND WE SUSPECT KURDISH LOYALTY TO TURKEY'S TERRITORIAL INTEGRITY AND "TURKISHNESS" REMAINS A MATTER OF THE HEAD, NOT THE HEART. THE SPECTRE OF KURDISTAN IS ESTABLISHED WITH SOVIET SUPPORT AND LINES OF SUPPLY ON ITS IRANIAN BORDER. CONJUNCTION THAT EVENT AND CONTINUING ECONOMIC AND POLITICAL CHAOS IN TURKEY COULD UNITE SEPARATIST FACTIONS AND CHANGE LOCAL OPINION SUFFICIENTLY TO MAKE SECESSION A SERIOUS THREAT. BARRING SUCH DRAMATIC DEVELOPMENTS WE EXPECT CONTINUING TERRORISM

IMMEDIATE FUTURE WITH TURKISH FEDERAL CONTROL REMAINS INTACT.
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